

Annual Report 2012-2013

**Frontier Leasing &
Finance Limited**

BSE: 508980

29th Annual Report 2012-13

| | | |
|---------------------------------------|---|--|
| Board of Directors | : | Mr. V. G. Raghavan Mr. N. B. Vyas Mr. Sandeep Soni Mr. Rajesh Kathuria Mr. Srinivasan Sridhar |
| Statutory Auditors | : | Nisar & Kumar Chartered Accountants, 1305, Arcadia Building, Next to Earnest House, NCPA Marg, Nariman Point Mumbai- 400 021 |
| Registered Office | : | Peninsula Technopark, Tower-1, 7th floor, Off Bandra-Kurla Complex, LBS Marg, Kurla (West), Mumbai – 400 070. Tel.: +91 22 33826000 Fax: +91 22 33826123 Visit us at: www.flfindia.com |
| Registrar & Transfer Agent | : | Sharex Dynamic (India) Pvt. Ltd. Unit no.1, Luthra Ind.Premises, 1 st Floor, 44-E, M Vasanti Marg Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400072 Tel: 022-2851 5606/5644/6338 Fax: 022-28512885 e-mail: investor@sharexindia.com |

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Ninth Annual General Meeting of the members of Frontier Leasing & Finance Limited will be held on 20th September 2013 at 11.00 AM at the registered office of the Company at 7th Floor, Tower 1, Equinox Business Park, Peninsula Techno Park, Off Bandra Kurla Complex, LBS Marg, Kurla (West), 400070, Mumbai to transact the following business.

ORDINARY BUSINESS:-

1. **Adoption of Accounts.**

To receive, consider and adopt the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.

2. **Declaration of Dividend.**

To declare dividend for the financial year ended March 31, 2013.

3. **Appointment of Auditors.**

To appoint auditors to hold office from the conclusion of this AGM until the conclusion of the next AGM and to fix their remuneration and to pass the following resolution thereof:

“RESOLVED THAT M/s. Nisar & Kumar, Chartered Accountants, (Firm Registration No.127820 W with ICAI) the retiring auditors of the Company be and are hereby re-appointed as Statutory Auditors of the Company who shall hold the office from the conclusion of this Annual General meeting until the conclusion of the next Annual General meeting on a remuneration to be decided by the Board of Directors of the Company in consultation with them.”

SPECIAL BUSINESS:-

4. **Regularisation of appointment of an Additional Director.**

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

“RESOLVED THAT Mr. Rajesh Kathuria, who was appointed as an Additional Director of the Company effective from 2nd April, 2013 by the Board of Directors and who holds office until the date of this Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956 and Article 106 of the Articles of Association of the Company, and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

5. **Regularisation of appointment of an Additional Director.**

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

“RESOLVED THAT Mr Srinivasan Sridhar, who was appointed as an Additional Director of the Company effective from 8th August, 2013 by the Board of Directors and who holds office until the date of this Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956 and Article 106 of the Articles of Association of the Company, and in respect of whom the Company has received a notice in writing from a member under

Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

6. Increase in Authorized Share Capital of the Company.

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

“RESOLVED THAT pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any Statutory modification or re-enactment thereof for the time being in force) the Authorised Share Capital of the Company be and is hereby increased from Rs. 25,00,000/- (Rupees Twenty Five lakhs) divided into 2,50,000 Equity shares of Rs. 10/- each to Rs. 20,00,00,000/- (Rupees Twenty Crores) divided into 2,00,00,000/- Equity Shares of Rs. 10/- each which shall rank *pari passu* with the existing equity shares in all respects with the power to issue the new shares upon such terms and conditions attached thereto as the Board shall determine from time to time.”

“RESOLVED FURTHER THAT pursuant to the provisions of Section 16 and other applicable provisions if any of the Companies Act, 1956 (including any Statutory modification or re-enactment thereof for the time being in force) the existing Clause-V of the Memorandum of Association of the Company be and is hereby substituted by the following new Clause-V:

V. The Authorised Share Capital of the Company be and is hereby increased from Rs. 25,00,000/- (Rupees Twenty Five lakhs) divided into 2,50,000 Equity shares of Rs. 10/- each to Rs. 20,00,00,000/- (Rupees Twenty Crores) divided into 2,00,00,000/- Equity Shares of Rs. 10/- each with power to increase and reduce the capital for the time being into several classes and attach thereto respectively such preferential or qualified rights, privileges or conditions as may be determined by or in accordance with the articles of the Company for the time being and or vary, modify or abrogate any such right, privileges or conditions or restrictions in such manner as may be permitted by the legislative provisions or by the Articles of Association of the Company for the time being in force.”

7. Amendment to Articles of Association.

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

“RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956 the existing Article 3 in the Articles of Association of the Company be and is hereby substituted by the following new Article:

(3) “The Authorised Share capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores) divided into 2,00,00,000/- Equity Shares of Rs. 10/- each with a power to increase, reduce or modify the capital and to divide all or any of the Shares in the capital of the Company, for the time being, and to classify and reclassify such shares from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by the Company in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner and by such persons as may, for the time being be permitted under the provisions of the Articles of Association of the Company or legislative provisions for the time being in force in that behalf”.

8. Increase in the borrowing powers of the Company.

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

“RESOLVED THAT pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act 1956, the consent of the Company be and is hereby granted to the Board of Directors of the Company / Committee of Directors to borrow for the purpose of the business of the Company from time to time on such terms and conditions as the Board / Committee of Directors, may deem fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained and/or to be obtained from the Company’s bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, so that the total amounts up to which the monies may be borrowed by the Board / Committee of Directors as may be authorized by the Board of Directors shall not at any time exceed Rs. 200 Crores (Rupees Two hundred Crores)”.

“RESOLVED FURTHER THAT the Board or Committee of Directors or such other person as may be authorized by the Board of Directors be and is hereby authorized to finalise the form, extent and manner of and the documents and deeds, whichever applicable, for creating the appropriate mortgages and / or charges on such immoveable and / or moveable properties of the Company on such terms and Conditions as may be decided by the Board / Committee of Directors as may be authorized by the Board of Directors in consultation with the lenders and for reserving the aforesaid right and for performing all such acts and things as may be necessary for giving effect to this resolution.”

9. Increase in sitting fees to be paid to Non-Executive Directors.

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

“RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956 the Articles of Association of the Company be altered in the following manner, that is to say the maximum sitting fees presently payable to the Directors at the rate of Rs. 250/- per director per Board or Committee meeting be increased and that the Article 90 of the Articles of Association of the Company be altered by deleting there from the figures and words “Rs. 250/- (Rupees Two Hundred and Fifty)” and substituting therefore the figures and words “such sum of rupees as may be prescribed for the time being as the maximum fee payable by the Central Government being applicable to the Company under the first proviso to Section 310 of the Companies Act, 1956”.

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the company. The proxy form, in order to be effective, must be received at the registered office of the company not less than 48 hours before the annual general meeting.
2. Members/Proxies should bring duly filled attendance slips attached herewith for attending the meeting.
3. The ‘Register of Members’ and ‘Share Transfer Books’ of the Company shall remain closed from 17th September, 2013 to 20th September, 2013 (both days inclusive).

4. All documents referred in the accompanying notice are open for inspection at the registered office of the Company on all working days between 11.00 am to 1.00 pm upto the date of the Annual General Meeting.
5. The Dividend on Equity Shares @ Re.1/- per share, recommended by the Board of Directors for the financial year ended March 31, 2013, if approved at this Annual General Meeting will be payable to those shareholders whose names appear on the Register of Members of the Company on 17th September, 2013 being the first day of Book-Closure and to those whose names appear as beneficial owners in the records of National Securities Depository Limited and Central Depository Services (India) Limited on close of business as on 16th September, 2013.
6. Members/ Proxy are requested to bring their copies of Annual Report and produce Attendance slip duly filled in for attending the meeting.
7. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the Company at least ten days before the date of the Meeting. This would enable the Company to compile the information and provide replies at the Meeting.
8. Members are requested to address all correspondence, including dividend matters, to the Registrar & Share Transfer Agents i.e; Sharex Dynamic (India) Pvt. Ltd., Unit No. 1, Luthra Ind. Premises, 1st Floor, 44-E, M Vasanti Marg, Safeed Pool Andheri Kurla Road, Andheri (East), Mumbai 400 072.
9. Members are requested to register / update their email-ID with the Company at frontierleasing1984@gmail.com or with the Share Transfer Agent to facilitate the company to dispatch all eligible statutory communications at their registered email ID.

By Order of the Board

Sandeep Soni (Director)

Date: 8th August 2013

Registered Office:
7th Floor, Tower 1,
Equinox Business Park,
Peninsula Techno Park,
Off Bandra Kurla Complex,
LBS Marg, Kurla (West), 400070

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956:-

Item No. 4

Mr. Rajesh Kathuria was appointed as an Additional Director on the Board of the Company with effect from 2nd April, 2013. Pursuant to the provisions of Section 260 of the Companies Act, 1956 he holds office upto the date of ensuing Annual General Meeting of the Company. The Company has received a notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Mr. Rajesh Kathuria as a candidate for the office of Director of the Company.

Mr. Rajesh Kathuria is an eminent Professional and brings rich and varied experience to the Board. His brief resume, inter-alia, giving nature of expertise are given below.

Date of Birth (Age):- 01st May, 1967 (46yrs) Education: - Chartered Accountant

Present Occupation: Mr. Rajesh Kathuria is the proprietor at Rajesh Kathuria & Associates, Chartered Accountants, a reputed firm in Delhi. He has been Practising for over 25 years and has closely worked with Citigroup, AIG Financial Service Group and also for the BPO industry. He possesses rich experience in the field of Audit, Taxation, and Financial Consultancy and back-end operations

Other Directorships:-

- a. Prosafe Management And Financial Consultants Private Limited
- b. SRK Fincon Private Limited
- c. SRK Eservices Private Limited

Mr. Rajesh Kathuria is not holding any share of the company either in his name or held by/for other persons on a beneficial basis in the Company. He does not have any relation with any other Director of the Company.

Yours Directors, therefore recommend for approval of members the appointment of Mr. Rajesh Kathuria, as a Director of the Company by passing the resolution set out at Item No. 4 of the notice as an Ordinary Resolution.

None of the Directors of the Company except Mr. Rajesh Kathuria is interested in the said resolution.

Item No. 5

Mr. Srinivasan Sridhar was appointed as an Additional Director on the Board of the Company with effect from 8th August, 2013. Pursuant to the provisions of Section 260 of the Companies Act, 1956 he holds office upto the date of ensuing Annual General Meeting of the Company. The Company has received a notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Mr. Srinivasan Sridhar as a candidate for the office of Director of the Company.

Mr. Srinivasan Sridhar, former CMD of Central Bank of India and former Chairman of National Housing Bank, India, is a senior industry leader with more than 35 years professional experience in commercial and development banking both in India and overseas.

Mr. Srinivasan Sridhar, graduated from Indian Institute of Technology, Delhi and Jamnalal Bajaj Institute of Management Studies, Mumbai. He is a Certified Associate of Indian Institute of Bankers and was awarded the Lord Aldington Banking Research Fellow for the year 1984. Mr.

Srinivasan Sridhar is also a renowned speaker and panellist at several national and international conferences, namely UNCTAD, UN Habitat, UNESCAP and OECD.

Date of Birth (Age):- 09th May, 1951 (62yrs)

Other Directorships:-

- Centbank Financial Services Limited
- J P Morgan Mutual Fund India Private Limited
- Strides Arcolab Limited
- Ferro Alloys Corporation Limited
- Binani Cement Limited
- Incube Trustee Company Private Limited
- Development Credit Bank Limited
- Sewa Grih Rin Private Limited
- Land Interactive Media Limited
- Jubilant Life Sciences Limited
- Strategic Research And Information Capital Services Private Limited

Mr. Srinivasan Sridhar is not holding any share of the company either in his name or held by/for other persons on a beneficial basis in the Company. He does not have any relation with any other Director of the Company.

Yours Directors, therefore recommend for approval of members the appointment of Mr. Srinivasan Sridhar, as a Director of the Company by passing the resolution set out at Item No. 5 of the notice as an Ordinary Resolution.

None of the Directors of the Company except Mr. Srinivasan Sridhar is interested in the said resolution.

Item No. 6 & 7

The present Authorized Share Capital of the Company is Rs. 25,00,000/- (Rupees Twenty Five lakhs) divided into 2,50,000 Equity shares of Rs. 10/- each. With plans to grow the balance sheet further, it is necessary to increase Authorized Share Capital of the Company from from Rs. 25,00,000/- to Rs. 20,00,00,000/- (Rupees Twenty Crores) by creation of 2,00,00,000 Equity Shares of Rs.10/- each. The Amendment in the Capital Clause of the Memorandum and Articles of Association can be made by way of passing an Ordinary and Special Resolution respectively at the General Meeting.

The Resolutions as set out in the Notice convening the Meeting are to be considered and Members are requested to approve the Resolutions proposed as ordinary and Special Resolution respectively.

None of the Directors of the Company are interested in the above resolutions.

Item no. 8

Your Directors are of the view that there will be steady growth in business. The growth of business would require funds. Hence the mobilization of funds by the Company will substantially increase. Therefore it is considered desirable to increase the limit of borrowings to Rs. 200 Crores (Rupees Two Hundred Crores) apart from the temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business.

This requires approval of members in general meeting under Section 293(1)(d) of the Companies Act, 1956. The resolution as set out in the Notice convening the Meeting is to be considered and Members are requested to approve the Resolution proposed as ordinary Resolution.

None of the Directors is interested in the above resolutions.

Item No. 9

The first proviso to Section 310 of the Companies Act, 1956 read with Rule 10B of the Companies (Central Government's) General Rules & Forms, 1956 as amended from time to time provides the following limits for payment of fees for attending each meeting of the Board of Directors or a Committee thereof:

| | | |
|-----|---|--|
| (a) | Companies with a paid-up Share capital and free reserves of Rs. 10 Crores and above or turnover of Rs. 50 Crores and above. | Sitting fees not to exceed the sum of twenty thousand. |
| (b) | Other Companies | Sitting fees not to exceed the sum of ten thousand |

Article 90 of the Articles of Association relates to the fees presently payable to a director for attending the meetings of the Board and Committees thereof. This fee which was fixed is Rs. 250/- per meeting has remained stationary. At the same time the value of the rupee has gone down considerably. As the members are aware, the affairs of the Company are being managed by the Board of Directors and there is no managing/whole-time director. There is, therefore, considerable pressure on the Board of Directors who are saddled with the responsibility of arriving at all major decisions pertaining to the affairs of the Company.

Considering these factors, it is proposed, therefore, to increase the sitting fee from the present level of Rs.250 to such sum as may be prescribed for the time being by the Central Government under the first proviso to Section 310 and as may be applicable to the Company.

Pursuant to the provisions of Section 31 of the Companies Act, 1956, amendment of Articles of Association requires approval of shareholders by way of special resolution. Accordingly, this matter has been placed before the shareholders for approval.

The Board therefore, submits the resolution for your consideration and recommends it to be passed as a special resolution.

A copy of the existing as well as new Articles of Association of the Company is available for inspection at the Registered Office of the Company during working hours on any working day.

Every Director shall be deemed to be concerned and interested in the proposed resolution.

By Order of the Board
Sandeep Soni (Director)

Date: - 8th August, 2013

Registered Office:
7th Floor, Tower 1,
Equinox Business Park,
Peninsula Techno Park,
Off Bandra Kurla Complex,
LBS Marg, Kurla (West), 400070

[Note: - Your Company has made a special effort to produce this report in a format that would cause minimal environmental impact, without compromising on its contents. A soft copy of the report will be provided by email upon request. We also request you to register your email ID at frontierleasing1984@gmail.com for all communications, thereby further reducing the environmental impact and reducing waste.]

DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the Twenty Ninth Annual Report of the Company, together with the Audited Accounts thereon for the year ended 31st March, 2013.

1. Financial Results: (Amounts in INR)

| Particulars | For the Year ended on 31 st March, 2013 | For the Year ended on 31 st March, 2012 |
|--|--|--|
| Income | 1,86,92,242 | 2,64,02,894 |
| Less: Expenses | 37,43,996 | 73,37,101 |
| Profit / (Loss) before tax | 1,49,48,246 | 1,90,65,793 |
| Less: Provision for Taxation | | |
| • Current Tax | (57,10,459) | (67,67,305) |
| • Deferred Tax | 26,192 | 43,267 |
| Profit / (loss) After Taxation | 92,63,979 | 1,23,41,755 |
| Less: Proposed Dividend | 2,45,000 | 2,45,000 |
| Less: Corporate Dividend Tax | 41,638 | 39,745 |
| Less: Transfer to Statutory Reserve | 18,52,796 | 24,68,351 |
| Add: Balance Brought Forward from Last Year | 1,54,72,320 | 58,83,661 |
| Balance Carried Forward to Balance Sheet | 2,25,96,865 | 1,54,72,320 |

2. Operations:

Your Company continues to be profitable, dividend paying and debt free since the last three years. Profit after tax was Rs. 0.52 Crore and Rs. 1.23 Crore for Financial Year 2011 and 2012 respectively. In Financial Year 2013 total Income stood to Rs. 1.87 Crore with Profit after tax of Rs. 0.93 Crore. As on 30th June 13, the Assets under Management stood at Rs. 17.7 crore with Gross NPA and Net NPA at 0%.

During the year, the Company also successfully diversified into Bill Discounting as a product line and has built a portfolio of Rs.6.5 crore as of 30th June 13.

With plans to grow the business, the company is meaningfully engaged with few large banks to raise bank credit. In this regard the company also secured External Credit Ratings of BBB- (Investment Grade) from Brickworks Ratings and Asset Finance Classification a credit rating agency recognised by Reserve Bank of India.

The company continues to be fully compliant to various regulatory requirements and bodies (viz. RBI, BSE, SEBI etc)

3. Dividend:

Your Directors are pleased to recommend a Dividend of Rs 1/- Per Equity share (ie at the rate of 10%) of Rs 10/- each for the Year end 31st March, 2013. The Dividend if approved at the forthcoming Annual General Meeting will be paid out of the profits of the Company. The Dividend will be paid to those shareholders whose name appear on the Register of the Members of the Company after giving effect to all the valid transfers lodged with the share

transfer agent on 16th September 2013 and to those whose name appear as beneficial owners in the records of National Securities Limited (NSDL) and Central Depository Limited (NSDL) as on the said date. The dividend will be declared in the ensuing Annual General Meeting based on approval by the Shareholders of item no 2 of the notice.

4. Public Deposit:

Your company has not accepted any Deposits during the Year. Hence the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company.

5. Auditors:

M/s. Nisar & Kumar, Chartered Accountants, who are the Statutory Auditors of the company continue to hold the office until the conclusion of Annual General Meeting and offer themselves for re-appointment. The Company has received a certificate from them to the effect that the re-appointment if made will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

6. Directors:

During the year, Mr. Srinivasan Sridhar & Mr. Rajesh Kathuria were appointed as Additional Directors of the Company. Now they are proposed to be appointed as Directors and the management of the Company welcomes them on board. They would act in the capacity of Independent & Non-Executive Directors of the Company.

Except the above, there has been no other change in the Board of Directors of your Company.

7. Subsidiary Company:

On February 14th 2012, your Company had acquired 100% stake in AMW Finance Limited. The Company has sold its entire shareholding held in the Subsidiary Company namely M/s. AMW Finance Limited for Rs. 5 lacs only (i.e. 50,000 equity shares at Rs. 10/- each). Accordingly, AMW Finance Limited ceases to be a subsidiary of Frontier Leasing & Finance Limited with effect from July 08, 2013. (Refer to 212 statement annexed)

8. Corporate Governance Report:

The provisions related to the corporate governance pursuant to Clause 49 of the Listing Agreement are not applicable to the Company. However, as a measure of good governance, the Company complies with most of the requirements specified under Clause 49.

9. Director's Responsibility Statement:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 your Directors state:

- that in the preparation of the annual accounts for the financial period ended 31st March, 2013, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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;
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the Directors had prepared the accounts for the financial period ended 31st March, 2013 on a going concern basis.

10. Conservation of energy, technology absorption, foreign exchange earnings and outgo:

Information pertaining to section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 with respect to conservation of energy, technology absorption may be treated as NIL since your Company is not a manufacturing Company. As regards Foreign Exchange earnings, the Board wishes to state that there has been no inflow or outflow of foreign exchange earnings.

11. Particulars of Employees:

The disclosures as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, is not required as there are no employees covered by it.

12. Disclosures:

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

13. Stock Exchanges – Compliance of Listing Agreements:

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

14. Acknowledgement:

The Board wishes to acknowledge and thank all the stakeholders for their valuable support and encouragement towards the conduct of the efficient operations of the company and would also place on record their gratitude for the co-operation and assistance received from the RBI and various departments of Central and State Governments and thank them for their continued cooperation and support.

By order of the Board

Mr. V.G. Raghavan (Director)

Mr. Sandeep Soni (Director)

Date: 8th August, 2013

Registered Office:

7th Floor, Tower 1,
Equinox Business Park,
Peninsula Techno Park,
Off Bandra Kurla Complex,
LBS Marg, Kurla (West), 400070

STATEMENT PURSUANT TO SECTION 212(3) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

1. Name of the subsidiary company : AMW Finance Limited
2. For the year ended on : 31st March 2013
3. Shares of the subsidiary held by Frontier Leasing And Finance Limited on the above date
 - (a) Number of shares and face value : 50, 000 Equity shares of Rs.10 each
 - (b) Extent of holding including shares held through subsidiary companies : 100%
4. Net aggregate amount the profit/(loss) of the subsidiary so far as they concern members of Frontier Leasing And Finance Limited
 - (a) Dealt within the accounts of Frontier Leasing And Finance Limited year ended 31.3.2013 : (Rs. 6,243,684)
 - (b) Not dealt within accounts of Frontier Leasing And Finance Limited for year ended 31.3.2013 : Nil
5. Net aggregate amount of Profit/(loss) for previous financial year of the subsidiary since it became the subsidiary so far as they concern members of Frontier Leasing And Finance Limited
 - (a) Dealt within the accounts of Frontier Leasing And Finance Limited for the year ended 31.03.2013 : (Rs.2,37,317)
 - (b) Not dealt within accounts of Frontier Leasing And Finance Limited for the year ended 31.03.2013 : Nil

For and on behalf of the board

Mr. V.G. Raghavan (Director)

Mr. Sandeep Soni (Director)

Date: 8th August, 2013

Place: Mumbai

AUDITORS' REPORT

To the Members of Frontier Leasing & Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Frontier Leasing & Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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 March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, 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, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Nisar & Kumar
Chartered Accountants
Firm Regn. No.127820 W

K. M. Mahadik
Partner
M. No. 48453
Place: Mumbai
Date: May 3, 2013

ANNEXURE REFERRED TO THE REPORT OF EVEN DATE FOR THE YEAR ENDED MARCH 31, 2013 OF FRONTIER LEASING & FINANCE LIMITED

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year as per programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As informed to us, no discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off substantial part of the fixed asset.
- (ii) Since the company do not have inventory (other stock on hire), the clause (ii) is not applicable to the company for the year.
- (iii) (a) The company has not granted any loans to companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:
 - (b) In view of clause (iii) (a) above, clause (iii) (b) is not applicable.
 - (c) In view of clause (iii) (a) above, clause (iii) (c) is not applicable.
 - (d) In view of clause (iii) (a) above, clause (iii) (d) is not applicable.
 - (e) The company has not taken any loans from companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
 - (f) In view of clause (iii) (e) above, clause (iii) (f) is not applicable.
 - (g) In view of clause (iii) (e) above, clause (iii) (g) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business. During the course of our audit, no major weakness has been noticed in the internal controls system.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions during the year that need to be entered into the register maintained under section 301.
 - (b) In view of clause (v) (a) above, clause (v) (b) is not applicable.
- (vi) During the year the company has not accepted any public deposits.
- (vii) In our opinion, during the year the company does not have formal internal audit system.
- (viii) As informed to us, the maintenance of cost records have not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- (ix) (a) According to the records of the company, there were delays in deposit of undisputed statutory dues of income taxes with the Income tax authorities. As per the books of account and according to information and explanations given to us there are no undisputed dues of provident fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, wealth tax, Service Tax, Custom Duty, Excise Duty and Cess. There were no arrears of statutory dues outstanding as at March 31, 2013 for a period of more than six months from the date they became payable.
 - (b) According to the records of the company, there are no dues Income Tax, Sales Tax of Wealth Tax, Service Tax, Custom duty and excise duty/cess which have not been deposited on account of dispute.

- (x) The company does not have accumulated losses at the end of the financial year and the company has not incurred any cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the books of account and information and explanations given by the management, we state that there are no dues to banks, financial institutions or debenture holders.
- (xii) Based on our examination of documents and records, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) Provisions of Chit Fund Nidhi/ Mutual Benefit Fund/Societies are not applicable.
- (xiv) The company is not engaged in dealing or trading in shares, securities, debentures and other investments.
- (xv) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) During the year the company has not borrowed any term loan.
- (xvii) During the year the company has not raised any short term funds.
- (xviii) During the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) During the year, the company has not issued secured debentures.
- (xx) During the year, the company has not raised money by public issues.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For Nisar & Kumar

Chartered Accountants
Firm Regn. No.127820 W

K. M. Mahadik
Partner

M. No. 48453
Place: Mumbai

Date: May 3, 2013

BALANCE SHEET AS AT MARCH 31, 2013 [STANDALONE]

| | Note No. | As at MAR 31, 2013 | As at MAR 31, 2012 |
|--|----------|---------------------|---------------------|
| | | Rs. | Rs. |
| <u>EQUITY AND LIABILITIES</u> | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 24,50,000 | 24,50,000 |
| Reserves and Surplus | 3 | 2,95,89,537 | 2,06,12,196 |
| | | 3,20,39,537 | 2,30,62,196 |
| Share Application Money Pending Allotment | 4 | 15,00,00,000 | 15,00,00,000 |
| Non-Current Liabilities | | | |
| Long Term Provisions | 5 | 6,09,946 | - |
| Current Liabilities | | | |
| Trade payables | 6 | 4,82,361 | 15,101,124 |
| Other Current Liabilities | 7 | 40,025 | 10,500,206 |
| Short Term Provisions | 8 | 47,18,240 | 55,49,593 |
| | | 52,40,626 | 3,11,50,923 |
| TOTAL | | 18,78,90,109 | 20,42,13,119 |
| ASSETS | | | |
| Non Current Assets | | | |
| Fixed Assets | 9 | | |
| Tangible Assets | | 6,66,593 | 9,03,845 |
| Intangible Assets | | - | 4,42,454 |
| Non-Current Investments | 10 | 5,00,000 | 8,00,000 |
| Deferred tax assets (net) | 11 | 63,716 | 37,524 |
| Long Term Loans and Advances | 12 | 30,85,304 | 18,667 |
| | | 43,15,613 | 22,02,490 |
| Current Assets | | | |
| Inventories - Stock on Hire Purchase (Net) | 13 | 9,78,66,744 | 16,84,01,628 |
| Trade Receivables | 14 | 3,02,75,067 | 2,16,54,555 |
| Cash and cash equivalents | 15 | 1,68,50,150 | 1,19,23,622 |
| Short term loans and advances | 16 | 3,85,80,170 | - |
| Other current assets | 17 | 2,365 | 30,824 |
| | | 18,35,74,496 | 20,20,10,629 |
| TOTAL | | 18,78,90,109 | 20,42,13,119 |

Significant Accounting Policies (Note No. 23 to 29 forms integral part of accounts)
As per attached report of even date

For Nisar & Kumar
Chartered Accountants
K. M. Mahadik (Partner)
Date: May 3, 2013, Mumbai

For and on behalf of the Board
Sandeep Soni (Director)
V. G. Raghavan (Director)

Arun Ranga (Company Secretary)
Date: May 3, 2013, Mumbai

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013
[STANDALONE]

| Particulars | Note No. | For the year ended March 31, 2013 Rs. | For the year ended March 31, 2012 Rs. |
|---|-----------------|--|--|
| REVENUE | | | |
| Revenue from operations | 18 | 1,83,01,281 | 2,53,67,745 |
| Other Income | 19 | 3,90,961 | 10,35,149 |
| Total Revenue | | 1,86,92,242 | 2,64,02,894 |
| EXPENSES | | | |
| Administrative & Other Expenses | 20 | 30,64,290 | 65,31,373 |
| Depreciation / amortisation | 21 | 6,79,706 | 8,05,728 |
| | | 37,43,996 | 73,37,101 |
| Profit before tax | | 1,49,48,246 | 1,90,65,793 |
| Tax Expenses: | | | |
| a) Current Tax (including adjustments for earlier years) | | (57,10,459) | (67,67,305) |
| b) Deferred Tax | | 26,192 | 43,267 |
| Profit after tax | | 92,63,979 | 1,23,41,755 |
| Basic & Diluted Earnings per share of Rs 10 each | 22 | 37.81 | 50.37 |

Significant Accounting Policies (Note No. 23 to 29 forms integral part of accounts)

As per attached report of even date

For Nisar & Kumar
Chartered Accountants
K. M. Mahadik (Partner)
Date: May 3, 2013, Mumbai

For and on behalf of the Board
Sandeep Soni (Director)
V. G. Raghavan (Director)

Arun Ranga (Company Secretary)
Date: May 3, 2013, Mumbai

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013 [STANDALONE]

| Particulars | For the year ended (INR) March 31, 2013 | For the year ended(INR) March 31, 2012 |
|---|---|--|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 1,49,48,246 | 1,90,65,793 |
| Adjustments for : | | |
| Contingent Provisions against Standard Assets | 4,12,584 | - |
| Bad debts / Advances written off | 20,549 | 17,91,871 |
| Provision for depreciation in investments | 5,00,000 | - |
| Depreciation / amortisation | 6,79,706 | 805,728 |
| Interest on investments / deposits with bank | (3,90,961) | (10,35,149) |
| Operating Profit before working Capital Changes | 1,61,70,124 | 2,06,28,243 |
| Adjustment for : | | |
| (Increase)/Decrease in Stock on Hire Purchase | 7,05,34,884 | 87,94,962 |
| (Increase)/Decrease in Receivables | (4,89,92,772) | (99,26,950) |
| Increase/(Decrease) in Payables | (1,50,83,344) | (90,31,757) |
| Cash generated from operations | 22,628,892 | 1,04,64,498 |
| Taxes on income paid | (81,12,980) | (44,83,184) |
| Net Cash Generated From Operating Activities | 1,45,15,912 | 59,81,314 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Interest on investments / deposits with bank received | 3,90,961 | 10,04,325 |
| Purchase of investments | - | (5,00,000) |
| Proceeds from sale / redemption of Investments | 3,00,000 | - |
| Net Cash Generated From Investing Activities | 6,90,961 | 5,04,325 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayment of borrowings | - | (33,14,500) |
| Dividend paid (including dividend tax) | (2,80,345) | (2,84,745) |
| Refund of share application money | (1,00,00,000) | (4,03,86,945) |
| Net Cash Used in Financing Activities | (1,02,80,345) | (4,39,86,190) |
| Net increase / (decrease) in cash and cash equivalents | 49,26,528 | (3,75,00,551) |
| Cash and Cash equivalents at the beginning of the year | 1,19,23,622 | 4,94,24,173 |
| Cash and Cash equivalents at the end of the year | 1,68,50,150 | 1,19,23,622 |

Note: Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard -3 " Cash Flow Statements "

For Nisar & Kumar
Chartered Accountants
K. M. Mahadik (Partner)
Date: May 3, 2013 Mumbai

For and on behalf of the Board
Sandeep Soni (Director)
V. G. Raghavan (Director)

Arun Ranga (Company Secretary)
Date: May 3, 2013 Mumbai

Significant Accounting Policies and Notes forming part of Accounts for the year ended March 31, 2013

1. Significant Accounting Policies

The Financial statements have been prepared on accrual basis and in accordance with applicable accounting standards. A summary of the important accounting policies, which have been applied, is set out below:

1.1 Basis of Accounting: The financial statements are prepared in accordance with the historical cost convention. Further the Company follows prudential norms for Income Recognition and provisioning for Non-performing Assets as prescribed in the directions issued by the Reserve Bank of India in terms of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

1.2 Investments: Long term investments are stated at cost. Incidental expenses incurred in acquiring the investments are added to the cost. Decline in carrying amount of investments, if any, other than of temporary nature is provided for in the Statement of Profit and Loss.

1.3 Fixed Assets: Fixed Assets are recorded at cost inclusive of all incidental cost of acquisition and other incidental costs.

1.4 Depreciation / Amortisation: Goodwill is amortised over the period of its estimated useful life of 2.5 years. Depreciation on other fixed assets is provided on Written Down Value Method at the rates prescribed under the Schedule XIV of the Companies Act, 1956 on pro rata basis from the date of addition / upto the date of deletion.

1.5 Stock on Hire: Stock on hire is reflected at total receivables comprising of total value of hire purchase instalments falling due after end of the accounting year net of Finance charges receivable on balance instalments.

1.6 Revenue Recognition:

i) In respect of Finance Charges on Hire Purchase agreements, Income is accounted by applying implicit rate of return in the transaction on the declining balance of the amount financed for the period of the agreement.

ii) Interest and discounting charges income are recognised on time accrual basis.

iii) No income is recognised in respect of non-performing assets as specified in the directions issued by the Reserve Bank of India in terms of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

1.7 Taxation:

The provision for current tax, if any, is computed in accordance with the relevant tax regulations. Deferred Tax is recognised on timing difference between accounting and taxable income for the year by applying applicable tax rates as per Accounting Standard-22 on "Accounting for Taxes on Income". Deferred Tax Assets is recognised wherever there is reasonable certainty that future taxable income will be available against which such Deferred Tax Assets can be realised.

1.8 Provisions and Contingent Liabilities:

Provisions are recognised in the accounts for present probable obligations arising out of past events that require outflow of resources, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain

future events not wholly within the control of the company, unless likelihood of an outflow of resources is remote. Contingent assets are not recognised in the accounts, unless there is virtual certainty as to its realisation.

| As at : | March 31, 2013 | Mar 31, 2012 |
|---|------------------|------------------|
| | Rs. | Rs. |
| 2 Share Capital | | |
| Authorised | | |
| 250,000 (P.Y. 250,000) Equity Shares of Rs. 10 each | 25,00,000 | 25,00,000 |
| Issued, Subscribed and Fully Paid-up | | |
| 245,000 (P.Y. 245,000) Equity Shares of Rs. 10 each | 24,50,000 | 24,50,000 |
| | <u>24,50,000</u> | <u>24,50,000</u> |

Notes:

1. Number of shares held by the holding company viz. Inimitable Capital Finance Pvt Ltd (formerly, Essar Capital Finance Pvt. Ltd) : 176,610 (P.Y. 176,610)
2. There are no changes in the number of shares outstanding as at September 30, 2012 and December 31, 2012.
3. There are no shareholders (other than holding company) which hold more than 5% shares.

| 3. Reserves and Surplus | March 31, 2013 | Mar 31, 2012 |
|--|--------------------|--------------------|
| | Rs. | Rs. |
| Surplus in Statement of Profit and Loss | | |
| Balance at the beginning of the year | 1,54,72,320 | 58,83,661 |
| Add: Profit for the year | 92,63,979 | 12,341,755 |
| Less: Proposed Dividend (including corporate dividend tax) | (2,86,638) | (2,84,745) |
| Less: Transfer to Statutory Reserve | (18,52,796) | (24,68,351) |
| Balance at the end of the year | 2,25,96,865 | 1,54,72,320 |
| General Reserve | | |
| Balance as per last balance sheet | 11,85,650 | 11,85,650 |
| Statutory Reserve | | |
| Balance at the beginning of the year | 39,54,226 | 14,85,875 |
| Add: Transfer from surplus in statement of profit and loss | 18,52,796 | 24,68,351 |
| Balance at the end of the year | 58,07,022 | 39,54,226 |
| | <u>2,95,89,537</u> | <u>2,06,12,196</u> |

4 - Share Application Money Pending Allotment

As per the revised agreed terms, the company will issue preference shares of such face value at such a price which may be mutually agreed between the company and the applicant against the said application money on or before December 31, 2013. The company has yet to increase its authorised capital comprising preference shares of such face value to cover issue of preference shares to be issued.

| | March 31, 2013 | Mar 31, 2012 |
|---|-----------------|--------------------|
| | Rs. | Rs. |
| 5 Long Term Provisions | | |
| Contingent Provisions against Standard Assets | 1,09,946 | - |
| Provision for depreciation in investments | 5,00,000 | - |
| | <u>6,09,946</u> | - |
| 6 Trade Payables | <u>4,82,361</u> | <u>1,51,01,124</u> |

7 Other Current Liabilities

| | | |
|------------------------------------|---------------|--------------------|
| Payable for investments | - | 5,00,000 |
| Share application money refundable | - | 1,00,00,000 |
| Statutory liabilities | 35,625 | 206 |
| Unclaimed / unpaid dividend | 4,400 | - |
| | 40,025 | 1,05,00,206 |

8 Short Term Provisions

| | | |
|---|------------------|------------------|
| Provision for income tax (net of taxes paid) | 41,28,963 | 52,64,848 |
| Proposed dividend | 2,45,000 | 2,45,000 |
| Corporate dividend tax | 41,638 | 39,745 |
| Contingent Provisions against Standard Assets | 3,02,639 | - |
| | 47,18,240 | 55,49,593 |

9 Fixed Assets

A. Tangible Assets

Gross Block

| | | |
|-----------|------------------|------------------|
| Computers | 50,000 | 50,000 |
| Vehicles | 14,00,000 | 14,00,000 |
| | 14,50,000 | 14,50,000 |

Depreciation

| | | |
|-----------|-----------------|-----------------|
| Computers | 36,200 | 27,000 |
| Vehicles | 7,47,207 | 5,19,155 |
| | 7,83,407 | 5,46,155 |

Net Block

6,66,593 9,03,845

A. Intangible Assets

Gross Block

| | | |
|----------|-----------|-----------|
| Goodwill | 12,06,690 | 12,06,690 |
|----------|-----------|-----------|

Depreciation

| | | |
|----------|-----------|----------|
| Goodwill | 12,06,690 | 7,64,236 |
|----------|-----------|----------|

Net Block

- 4,42,454

10 Non-current Investments

Long Term Investments (Unquoted, Non -Trade, At cost)

| | | |
|--|---|---|
| | - | - |
|--|---|---|

Equity shares of Subsidiary company

| | | |
|---|----------|----------|
| 50,000 (PY 50000) Equity shares of AMW Finance Ltd of Rs. 10 each fully paid up | 5,00,000 | 5,00,000 |
|---|----------|----------|

b. Government Securities

| | | |
|----------------------|---|----------|
| 6.85% GOI Bonds 2012 | - | 3,00,000 |
|----------------------|---|----------|

5,00,000 8,00,000

Deferred Tax Asset : The Deferred tax asset of Rs. 63,716 (P.Y. Rs. 37524) represents timing difference on account of depreciation.

11

12 Long term loans and advances

(Unsecured, considered good)

| | | |
|---|--------------------|---------------------|
| Loans to others | 18,00,000 | - |
| Tax Deducted at source | 12,85,304 | 18,667 |
| | 3,085,304 | 18,667 |
| 13 Inventories | | |
| Stock on hire purchase (net of unmatured finance charges) | 9,78,66,744 | 16,84,01,628 |
| 14 Trade Receivables (Unsecured, Considered Good) | | |
| Debts outstanding for period exceeding six months | - | - |
| Other debts | 3,02,75,067 | 2,16,54,555 |
| (Note: The trade receivables are towards Hire purchase transactions) | 3,02,75,067 | 2,16,54,555 |
| | 3,02,75,067 | 2,16,54,555 |
| 15 Cash and Cash equivalents | | |
| Cash / drafts on hand | 10,200 | - |
| Balances with Banks in current accounts | 1,68,35,550 | 14,67,798 |
| Balance with Bank in current accounts (Dividend account) | 4,400 | - |
| Balances with Banks in deposit account | - | 1,04,55,824 |
| | 1,68,50,150 | 1,19,23,622 |
| 16 Short term loans and advances (Unsecured, Considered Good) | | |
| Advances to related parties | 29,25,302 | - |
| Bills discounted | 3,50,89,583 | - |
| Advances to vendors | 5,50,000 | - |
| Prepaid expenses | 15,285 | - |
| | 3,85,80,170 | - |
| 17 Other Current Assets | | |
| Interest receivable | 2,365 | 30,824 |
| | 2,365 | 30,824 |
| 18 Revenue from operations | | |
| Finance Charges on Hire Purchase | 1,70,89,308 | 2,53,67,745 |
| Interest on Other Loans | 1,72,365 | - |
| Bill Discounting Charges | 89,583 | - |
| Loan Processing Fees | 1,00,025 | - |
| Penal Interest | 8,50,000 | - |
| | 1,83,01,281 | 2,53,67,745 |
| 19 Other Income | | |
| Interest on investments / deposits with bank | 3,90,961 | 10,35,149 |
| | 3,90,961 | 10,35,149 |
| 20 Administrative & Other Expenses | | |
| Office and Other Expenses | 17,997 | 78,300 |
| Listing & Custodial Fees | 60,744 | 76,980 |
| Professional Fees | 14,21,776 | 11,66,134 |
| Printing & Stationary | 31,692 | 19,474 |
| Postage & Communication expenses | - | 1,52,677 |

| | | |
|---|------------------|------------------|
| Donations | 5,000 | 71,000 |
| Travelling and conveyance expenses | 46,981 | 11,64,949 |
| Business Promotion / AGM expenses | - | 2,68,649 |
| Membership & Subscriptions | 7,959 | 9,51,752 |
| Advertisement Expenses | 77,408 | 1,50,949 |
| <u>Auditors' Remuneration</u> | | |
| Audit Fees | 1,12,360 | 89,888 |
| Fees for consolidated accounts | 56,180 | 22,472 |
| Repairs & Maintenance Expenses | 2,41,651 | 5,11,510 |
| Insurance Expenses | - | 12,761 |
| Bank charges | 1,011 | 2,007 |
| Penalty Charges | 50,398 | - |
| Provision for depreciation in Investments | 5,00,000 | - |
| Balances / bad debts written off | 20,549 | 17,91,871 |
| Contingent Provisions against Standard Assets | 4,12,584 | - |
| | 30,64,290 | 65,31,373 |

21 Depreciation / amortisation

| | | |
|--------------------|-----------------|-----------------|
| Computers | 9,200 | 15,333 |
| Vehicles | 2,28,052 | 3,07,720 |
| Goodwill Amortised | 4,42,454 | 4,82,675 |
| | 6,79,706 | 8,05,728 |

22 Earnings per Share:

There are no potential equity shares and hence the basic and diluted earnings per share are same. The calculation of the basic and diluted earnings per share is based on following data.

| | | |
|--|------------------|--------------------|
| Earnings [Net profit for the year after tax (Rs.)] | 92,63,979 | 1,23,41,755 |
| Weighted average number of equity shares for the purpose of calculating earnings per share | 2,45,000 | 2,45,000 |
| Basic & Diluted Earnings per share of face value of Rs.10 each (Rs.) | 37.81 | 50.37 |

23 Related Party Disclosures:

a) Related parties where control exists:

i. Holding Company: Inimitable Capital Finance Pvt. Ltd (Formerly, Essar Capital Finance Pvt. Ltd)

ii. Subsidiary Company: AMW Finance Limited

iii. Individual indirectly owning an interest in the voting power that gives control: Mr. A S Ruia

b) Other related parties, where there have been transactions:

Enterprises controlled or significantly influenced by individual or relatives: Essar Investments Ltd, Imperial Consultants and Securities Private Ltd, India Securities Ltd

c) Transactions with related parties are summarised as under:

| Particulars | Holding Company | Subsidiary company | Enterprises controlled or significantly influenced by individual or relatives | Total 31 March 13 |
|---|-------------------------------------|-----------------------------|---|-------------------------------------|
| Advances Given AMW Finance Ltd India Securities Ltd | | 6,87,073 6,87,073 | 22,38,229 22,38,229 | 29,25,302 |
| Refund of advances taken (Imperial Consultants and Securities Private Ltd) | | | (33,14,500) | (33,14,500) |
| Refund of share application money [Inimitable Capital Finance Pvt. Ltd (Formerly, Essar Capital Finance Pvt. Ltd)] | 1,00,00,000 (4,03,86,945) | | | 1,00,00,000 (4,03,86,945) |
| Refund of advances given Essar Investments India Securities Ltd | | | (1,84,046) (22,548) (1,61,498) | (1,84,046) |

d) **Balances outstanding at the end of the year:**

| | | | | |
|--|---------------------------------------|-------------------|------------------|---------------------------------------|
| Debit balances (Short term Loans and advances) | | (6,87,073) | 22,38,229 | 29,25,302 |
| Credit balances (Share application money [including refundable portion]) | 15,00,00,000 (16,00,00,000) | | - | 15,00,00,000 (16,00,00,000) |

Notes:

- a. The names of the related parties are disclosed under each nature of transaction where the transaction with single party is 10% or more of relevant nature of transactions.
b. The figures in bracket pertains to previous year

24 The company has single business segment of Financing Activities and geographical location in India.

25 The company does not have any dues to micro, small and medium enterprises.

26 The company does not have any commitment or contingent liability.

27 During the year the company has made Contingent Provision at 0.25% against its standard assets related to financing activities in accordance with the requirement of Notification No. DNBS.222/ CGM (US)-2011 dated 17.01.2011 issued by the Reserve Bank of India (RBI) . The amount of provision on standard assets is shown separately as "Contingent Provision against Standard Assets" under "Provisions" in the Balance Sheet.

28 Information as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007:

a. Disclosures regarding loans and advances availed by the Company and break up of investments are given in the related notes forming part of accounts.

b. Borrower group-wise classification of all leased assets, stock-on-hire (net) and loans given:

March 31, 2013

| | Rs. |
|--------------------------------------|---------------------|
| | Unsecured |
| A. Related Parties | |
| (i) Subsidiaries | - |
| (ii) Companies in the same group | - |
| (iii) Other related parties | - |
| B. Other than related parties | 13,47,56,327 |
| TOTAL | 13,47,56,327 |

C. Investment in related party - Rs. 500,000 in subsidiary company.

d. Other Information:

1. Gross Non - Performing Assets

| | |
|--------------------------------|---|
| (a) Related parties | - |
| (b) Other than related parties | - |

2. Net Non-Performing Assets

| | |
|--------------------------------|---|
| (a) Related parties | - |
| (b) Other than related parties | - |

3. Assets acquired in satisfaction of debt

-

29 Previous year figures have been rearranged / regrouped wherever necessary.

For Nisar & Kumar

Chartered Accountants

K. M. Mahadik (Partner)

Date: May 3, 2013 Mumbai

For and on behalf of the Board

Sandeep Soni (Director)

V. G. Raghavan (Director)

Arun Ranga (Company Secretary)

Date: May 3, 2013

Mumbai

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF FRONTIER LEASING & FINANCE LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FRONTIER LEASING & FINANCE LIMITED

We have audited the attached Consolidated Balance Sheet of Frontier Leasing & Finance Limited (the company) Group as at March 31, 2013 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the company and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs 488,533 as at March 31, 2013, the total revenue of NIL and cash outflows amounting to Rs 22,061,116 for the year then ended. These financial statements and other financial information have been audited by the other auditors whose report has been furnished to us and our opinion is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements' notified pursuant to the Companies (Accounting Standards) Rules, 2006.

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India:

In the case of Consolidated Balance Sheet, of the affairs of Frontier Leasing & Finance Limited Group as at March 31, 2013;

In the case of the Consolidated Statement of Profit and Loss, of the profit of Frontier Leasing & Finance Limited Group for the year ended on that date; and

In the case of the Consolidated Cash Flow Statement, of the cash flows of Frontier Leasing & Finance Limited Group for the year ended on that date.

For Nisar & Kumar

Chartered Accountants
Firm Regn. No. 127820 W

K. M. Mahadik
Partner (M. No. 48453)
Mumbai, May 3, 2013

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

| Particulars | Note No. | As at 31-Mar-13 Rs. | As at 31-Mar-12 Rs. |
|--|-----------------|------------------------------------|------------------------------------|
| <u>EQUITY AND LIABILITIES</u> | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 24,50,000 | 24,50,000 |
| Reserves and Surplus | 3 | 2,38,34,266 | 2,06,00,609 |
| | | 2,62,84,266 | 2,30,50,609 |
| Share Application Money Pending Allotment | 4 | 15,00,00,000 | 15,00,00,000 |
| Non-Current Liabilities | | | |
| Long Term Borrowings | 5 | 55,44,371 | 2,68,11,900 |
| Long Term Provisions | 6 | 1,09,946 | - |
| | | 56,54,317 | 2,68,11,900 |
| Current Liabilities | | | |
| Trade payables | 7 | 5,11,776 | 1,51,29,415 |
| Other Current Liabilities | 8 | 2,48,700 | 1,07,08,881 |
| Short Term Provisions | 9 | 47,18,240 | 55,49,593 |
| | | 54,78,716 | 3,13,87,889 |
| TOTAL | | 18,74,17,299 | 23,12,50,398 |
| <u>ASSETS</u> | | | |
| Non Current Assets | | | |
| Fixed Assets | 10 | | |
| Tangible Assets | | 6,66,593 | 9,03,845 |
| Intangible Assets | | 2,25,730 | 6,68,184 |
| Non-Current Investments | 11 | - | 3,00,000 |
| Deferred tax assets (net) | 12 | 63,716 | 37,524 |
| Long Term Loans and Advances | 13 | 30,85,304 | 18,667 |
| | | 40,41,343 | 19,28,220 |
| Current Assets | | | |
| Inventories - Stock on Hire Purchase (Net) | 14 | 9,78,66,744 | 16,84,01,628 |
| Trade Receivables | 15 | 3,02,75,067 | 2,16,54,555 |
| Cash and cash equivalents | 16 | 1,73,38,683 | 3,44,73,271 |
| Short term loans and advances | 17 | 3,78,93,097 | - |
| Other current assets | 18 | 2,365 | 47,92,724 |
| | | 18,33,75,956 | 22,93,22,178 |
| TOTAL | | 18,74,17,299 | 23,12,50,398 |

Significant Accounting Policies
(Note No. 24 to 31 forms integral part of accounts)
As per our attached report of even date

For Nisar & Kumar
Chartered Accountants
K. M. Mahadik (Partner)
Date: May 3, 2013, Mumbai

For and on behalf of the Board
Sandeep Soni (Director)
V. G. Raghavan (Director)

Arun Ranga (Company Secretary)
Date: May 3, 2013, Mumbai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

| Particulars | Note No. | For the year ended 31-Mar-13 | For the year ended 31-Mar-12 |
|---|-----------------|---|---|
| | | Rs. | Rs. |
| REVENUE | | | |
| Revenue from operations | 19 | 1,83,01,281 | 2,53,67,745 |
| Other Income | 20 | 3,90,961 | 10,35,149 |
| Total Revenue | | 1,86,92,242 | 2,64,02,894 |
| EXPENSES | | | |
| Administrative & Other Expenses | 21 | 88,07,974 | 65,42,960 |
| Depreciation / amortisation | 22 | 6,79,706 | 8,05,728 |
| | | 94,87,680 | 73,48,688 |
| Profit before tax | | 92,04,562 | 1,90,54,206 |
| Tax Expenses: | | | |
| a) Current Tax (including adjustment for earlier years) | | (57,10,459) | (67,67,305) |
| b) Deferred Tax | | 26,192 | 43,267 |
| Profit after tax | | 35,20,295 | 1,23,30,168 |
| Basic & Diluted Earnings per share of Rs. 10 each | 23 | 14.37 | 50.33 |

Significant Accounting Policies
(Note No. 24 to 31 forms integral part of accounts)
As per our attached report of even date

For Nisar & Kumar
Chartered Accountants
K. M. Mahadik (Partner)
Date: May 3, 2013, Mumbai

For and on behalf of the Board
Sandeep Soni (Director)
V. G. Raghavan (Director)

Arun Ranga (Company Secretary)
Date: May 3, 2013, Mumbai

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

| Particulars | For the year ended 31-Mar-13 Rs. | For the year ended 31-Mar-12 Rs. |
|---|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 92,04,562 | 1,90,54,206 |
| Adjustments for : | | |
| Contingent Provisions against Standard Assets | 4,12,584 | - |
| Bad debts / Advances written off/(written back) | 47,82,449 | 17,91,871 |
| Depreciation / amortisation | 6,79,706 | 8,05,728 |
| Interest on investments / deposits with bank | (390961) | (10,35,149) |
| Operating Profit before working Capital Changes | 1,46,88,340 | 2,06,16,656 |
| Adjustment for : | | |
| (Increase)/Decrease in Stock on Hire Purchase | 7,05,34,884 | 87,94,962 |
| (Increase)/Decrease in Receivables | (4,83,05,699) | (1,46,88,850) |
| (Increase)/Decrease in Payables | (1,50,82,220) | (90,20,521) |
| Cash generated from operations | 2,18,35,305 | 57,02,247 |
| Taxes on income paid | (81,12,980) | (44,83,184) |
| Net Cash Generated From Operating Activities | 1,37,22,325 | 12,19,063 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Interest on investments / deposits with bank received | 3,90,961 | 10,04,325 |
| Purchase of investments | - | (5,00,000) |
| Proceeds from sale / redemption of Investments | 3,00,000 | - |
| Net Cash Generated From Investing Activities | 6,90,961 | 5,04,325 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from borrowings | 7,82,471 | 2,68,11,900 |
| Repayment of borrowings | (2,20,50,000) | (33,14,500) |
| Dividend paid (including dividend tax) | (2,80,345) | (2,84,745) |
| Refund of share application money | (1,00,00,000) | (4,03,86,945) |
| Net Cash Used in Financing Activities | (3,15,47,874) | (1,71,74,290) |
| Net increase / (decrease) in cash and cash equivalents | (1,71,34,588) | (1,54,50,902) |
| Cash and Cash equivalents at the beginning of the year | 3,44,73,271 | 4,99,24,173 |
| Cash and Cash equivalents at the end of the year | 1,73,38,683 | 3,44,73,271 |

Note: Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard -3 "Cash Flow Statements "

As per our attached report of even date

For Nisar & Kumar
Chartered Accountants
K. M. Mahadik (Partner)
Date: May 3, 2013, Mumbai

For and on behalf of the Board
Sandeep Soni (Director)
V. G. Raghavan (Director)
Arun Ranga (Company Secretary)
Date: May 3, 2013, Mumbai

Significant Accounting Policies and Notes forming part of Consolidated Accounts for the year ended March 31, 2013

1. Significant Accounting Policies

The Financial statements have been prepared on accrual basis and in accordance with applicable accounting standards. A summary of the important accounting policies, which have been applied, is set out below:

1.1 Basis of Accounting: a) The financial statements are prepared in accordance with the historical cost convention. Further the Company follows prudential norms for Income Recognition and provisioning for Non-performing Assets as prescribed in the directions issued by the Reserve Bank of India in terms of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. b) All significant transactions and balances between the company and subsidiaries are eliminated on consolidation.

1.2. Basis of consolidation: The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries on line by line basis by adding together like items of assets, liabilities, Income and expenses by using uniform accounting policies. The difference between the cost of investment and the Company's portion of equity in subsidiaries, at the date of Investment, is treated as goodwill or capital reserve as a case may be. The interest of minority shareholders is stated at the minority's proportion of the assets and liabilities recognised.

1.3 Investments: Long term investments are stated at cost. Incidental expenses incurred in acquiring the investments are added to the cost. Decline in carrying amount of investments, if any, other than of temporary nature is provided for in the Statement of Profit and Loss.

1.4 Fixed Assets: Fixed Assets are recorded at cost inclusive of all incidental cost of acquisition and other incidental costs.

1.5 Depreciation / Amortisation: Goodwill is amortised over the period of its estimated useful life of 2.5 years. Depreciation on other fixed assets is provided on Written Down Value Method at the rates prescribed under the Schedule XIV of the Companies Act, 1956 on pro rata basis from the date of addition / upto the date of deletion.

1.6 Stock on Hire: Stock on hire is reflected at total receivables comprising of total value of hire purchase instalments falling due after end of the accounting year net of Finance charges receivable on balance instalments.

1.7 Revenue Recognition:

i) In respect of Finance Charges on Hire Purchase agreements, Income is accounted by applying implicit rate of return in the transaction on the declining balance of the amount financed for the period of the agreement.

ii) Interest and discounting charges income are recognised on time accrual basis.

iii) No income is recognised in respect of non-performing assets as specified in the directions issued by the Reserve Bank of India in terms of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

1.8 Taxation: The provision for current tax, if any, is computed in accordance with the relevant tax regulations. Deferred Tax is recognised on timing difference between accounting and taxable income for the year by applying applicable tax rates as per Accounting Standard-22 on "Accounting for Taxes on Income". Deferred Tax Assets is recognised wherever there is

reasonable certainty that future taxable income will be available against which such Deferred Tax Assets can be realised.

1.9 Provisions and Contingent Liabilities: Provisions are recognised in the accounts for present probable obligations arising out of past events that require outflow of resources, the amount of which can be reliably estimated. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, unless likelihood of an outflow of resources is remote. Contingent assets are not recognised in the accounts, unless there is virtual certainty as to its realisation.

| 2 Share Capital | March 31, 2013 | Mar 31, 2012 |
|---|-----------------------|---------------------|
| | Rs. | Rs. |
| Authorised | | |
| 250,000 (P.Y. 250,000) Equity Shares of Rs. 10 each | 25,00,000 | 25,00,000 |
| Issued, Subscribed and Fully Paid-up | | |
| 245,000 (P.Y. 245,000) Equity Shares of Rs. 10 each | 24,50,000 | 24,50,000 |
| | 24,50,000 | 24,50,000 |

Notes:

1. Number of shares held by the holding company viz. Inimitable Capital Finance Pvt Ltd (formerly, Essar Capital Finance Pvt. Ltd) : 176,610 (P.Y. 176,610)
2. There are no changes in the number of shares outstanding as at September 30, 2012 and December 31, 2012.
3. There are no shareholders (other than holding company) which hold more than 5% shares.

| 3 Reserves and Surplus | March 31, 2013 | Mar 31, 2012 |
|--|-----------------------|---------------------|
| | Rs. | Rs. |
| Surplus in Statement of Profit and Loss | | |
| Balance at the beginning of the year | 1,54,63,050 | 58,83,661 |
| Add: Profit for the year | 35,20,295 | 1,23,30,168 |
| Less: Proposed Dividend (including corporate dividend tax) | (2,86,638) | (2,84,745) |
| Less: Transfer to Statutory Reserve | (1,852,796) | (24,66,034) |
| Balance at the end of the year | 1,68,43,911 | 1,54,63,050 |
| General Reserve | | |
| Balance as per last balance sheet | 11,85,650 | 11,85,650 |
| Statutory Reserve | | |
| Balance at the beginning of the year | 39,51,909 | 14,85,875 |
| Add: Transfer from surplus in statement of profit and loss | 18,52,796 | 24,66,034 |
| Balance at the end of the year | 58,04,705 | 39,51,909 |
| | 2,38,34,266 | 2,06,00,609 |

4 - Share Application Money Pending Allotment

As per the revised agreed terms, the company will issue preference shares of such face value at such a price which may be mutually agreed between the company and the applicant against the said application money on or before December 31, 2013. The company has yet to increase its authorised capital comprising preference shares of such face value to cover issue of preference shares to be issued.

| | As at 31-Mar-13 | As at 31-Mar-12 |
|---|----------------------------|----------------------------|
| 5 Long Term Borrowings | | |
| Borrowings from Companies | Rs. 55,44,371 | Rs. 2,68,11,900 |
| | 55,44,371 | 2,68,11,900 |
| 6 Long Term Provisions | | |
| Contingent Provisions against Standard Assets | 1,09,946 | - |
| | 1,09,946 | - |
| 7 Trade Payables | 5,11,776 | 1,51,29,415 |
| 8 Other Current Liabilities | | |
| Payable for investments | - | 5,00,000 |
| Share Application money refundable | - | 1,00,00,000 |
| Other Liabilities | 2,08,675 | 2,08,675 |
| Statutory liabilities | 35,625 | 206 |
| Unclaimed / unpaid dividend | 4,400 | - |
| | 2,48,700 | 1,07,08,881 |
| 9 Short Term Provisions | | |
| Provision for income tax (net of taxes paid) | 41,28,963 | 52,64,848 |
| Proposed dividend | 2,45,000 | 2,45,000 |
| Corporate dividend tax | 41,638 | 39,745 |
| Contingent Provisions against Standard Assets | 3,02,639 | - |
| | 47,18,240 | 55,49,593 |
| 10 Fixed Assets | | |
| A. Tangible Assets | | |
| Gross Block | | |
| Computers | 50,000 | 50,000 |
| Vehicles | 14,00,000 | 14,00,000 |
| | 14,50,000 | 14,50,000 |
| Depreciation | | |
| Computers | 36,200 | 27,000 |
| Vehicles | 7,47,207 | 5,19,155 |
| | 7,83,407 | 5,46,155 |
| Net Block | 6,66,593 | 9,03,845 |
| B. Intangible Assets | | |
| Gross Block | | |
| Goodwill | 12,06,690 | 12,06,690 |
| Depreciation | | |
| Goodwill | 12,06,690 | 7,64,236 |
| Net Block | - | 4,42,454 |
| Goodwill on consolidation | 2,25,730 | 2,25,730 |
| | 2,25,730 | 6,68,184 |
| 11 Non current Investments | As at 31-Mar-13 | As at 31-Mar-12 |
| Long Term Investments (Unquoted, Non -Trade, At cost) | Rs. | Rs. |
| Government Securities: | | |
| 6.85% GOI Bonds 2012 | - | 3,00,000 |
| | - | 3,00,000 |

- 12 Deferred Tax Asset:** The Deferred tax asset of Rs. 63,716 (P.Y. Rs. 37524) represents timing difference on account of depreciation.

| | As at 31-Mar-13 Rs. | As at 31-Mar-12 Rs. |
|--|------------------------------------|------------------------------------|
| 13 Long term loans and advances | | |
| Loans to others | 18,00,000 | - |
| Tax Deducted at source | 12,85,304 | 18,667 |
| | 30,85,304 | 18,667 |
| 14 Inventories | | |
| Stock on hire purchase (net of unmaturred finance charges) | 9,78,66,744 | 16,84,01,629 |
| | 9,78,66,744 | 16,84,01,629 |
| 15 Trade Receivables (Unsecured, Considered Good) | | |
| Debts outstanding for period exceeding six months | - | - |
| Other debts | 3,02,75,067 | 2,16,54,555 |
| (Note: The trade receivables are towards Hire purchase transactions) | 3,02,75,067 | 2,16,54,555 |
| 16 Cash and Cash equivalents | | |
| Cash / drafts on hand | 10,200 | - |
| Balances with Banks in current accounts | 1,73,24,083 | 2,40,17,447 |
| Balance with Bank in current accounts (Dividend account) | 4,400 | - |
| Balances with Banks in deposit account | - | 1,04,55,824 |
| | 1,73,38,683 | 3,44,73,271 |
| 17 Short term loans and advances (Unsecured, Considered Good) | | |
| Loans & advances to related parties | 22,38,229 | - |
| Bills discounted | 3,50,89,583 | - |
| Advances to vendors | 5,50,000 | - |
| Prepaid expenses | 15,285 | - |
| Other advances | - | - |
| | 3,78,93,097 | - |
| 18 Other Current Assets | | |
| Expenses related to investments under acquisition [refer note given below] | - | 47,61,900 |
| Interest receivable | 2,365 | 30,824 |
| | 2,365 | 47,92,724 |

Note:

During the year the subsidiary company has written off the expenses in connection with the proposed acquisition of a company incurred in previous year which were to form part of the cost of the investments to be acquired.

| | For Year ended 31-Mar-13 Rs. | For Year ended 31-Mar-12 Rs. |
|---|---|---|
| 19 Revenue from operations | | |
| Finance Charges on Hire Purchase | 1,70,89,308 | 2,53,67,745 |
| Interest on Other Loans | 1,72,365 | - |
| Bill Discounting Charges | 89,583 | - |
| Loan Processing Fees | 1,00,025 | - |
| Penal Interest | 8,50,000 | - |
| | 1,83,01,281 | 2,53,67,745 |
| 20 Other Income | | |
| Interest on investments / deposits with bank | 3,90,961 | 10,35,149 |
| | 3,90,961 | 10,35,149 |
| 21 Administrative & Other Expenses | | |
| Office and Other Expenses | 17,997 | 78,300 |
| Listing & Custodial Fees | 60,744 | 76,980 |
| Professional Fees | 26,11,304 | 11,66,134 |
| Printing & Stationary | 31,692 | 19,474 |
| Postage & Communication expenses | - | 1,52,677 |
| Donations | 5,000 | 71,000 |
| Travelling and conveyance expenses | 46,981 | 11,64,949 |
| Business Promotion / AGM expenses | - | 2,68,649 |
| Membership & Subscriptions | 7,959 | 9,51,752 |
| Advertisement Expenses | 77,408 | 1,50,949 |
| Auditors' Remuneration | | |
| Audit Fees | 1,23,596 | 1,01,124 |
| Fees for consolidated accounts | 56,180 | 22,472 |
| Repairs & Maintenance Expenses | 2,41,651 | 5,11,510 |
| Insurance Expenses | - | 12,761 |
| Bank charges | 2,82,031 | 2,358 |
| Penalty Charges | 50,398 | - |
| Balances / Bad debts written off | 47,82,449 | 17,91,871 |
| Contingent Provisions against Standard Assets | 4,12,584 | - |
| | 88,07,974 | 65,42,960 |
| 22 Depreciation / amortisation | | |
| Computers | 9,200 | 15,333 |
| Vehicles | 2,28,052 | 3,07,720 |
| Goodwill Amortised | 4,42,454 | 4,82,675 |
| | 6,79,706 | 8,05,728 |
| 23 Earning per Share: | | |

There are no potential equity shares and hence the basic and diluted earnings per share are same. The calculation of the basic and diluted earnings per share is based on following data.

| | 31-Mar-13 | 31-Mar-12 |
|--|------------------|------------------|
| Earnings [Net profit for the year after tax (Rs.)] | 35,20,295 | 1,23,30,168 |
| Weighted average number of equity shares for the purpose of calculating earnings per share | 2,45,000 | 2,45,000 |
| Basic & Diluted Earnings per share of face value of Rs.10 each (Rs.) | 14.37 | 50.33 |

24 Related Party Disclosures:

a) Related parties where control exists:

i. Holding Company: Inimitable Capital Finance Pvt. Ltd (Formerly, Essar Capital Finance Pvt. Ltd)

ii. Subsidiary Company: AMW Finance Limited

iii. Individual indirectly owning an interest in the voting power that gives control: Mr. A S Ruia

b) Other related parties, where there have been transactions:

Enterprises controlled or significantly influenced by individual or relatives: Essar Investments Ltd, Imperial Consultants and Securities Private Ltd, India Securities Ltd

c) Transactions with related parties are summarised as under:

| Particulars | Holding Company | Enterprises controlled or significantly influenced by individual or relatives | Total 31 March 13 |
|---|-------------------------------------|--|-------------------------------------|
| Advances Given India Securities Ltd | | 22,38,229 (-) | 22,38,229 (-) |
| Refund of advances taken (Imperial Consultants and Securities Private Ltd) | | (33,14,500) | (33,14,500) |
| Refund of share application money [Inimitable Capital Finance Pvt. Ltd (Formerly, Essar Capital Finance Pvt. Ltd)] | 1,00,00,000 (4,03,86,945) | | 1,00,00,000 (4,03,86,945) |
| Refund of advances given Essar Investments India Securities Ltd | | (1,84,046) (22,548) (1,61,498) | (1,84,046) (1,84,046) |

Balances outstanding at the end of the year:

| | | | |
|--|---------------------------------------|-------------------------|---------------------------------------|
| Debit balances (Short term Loans and advances) | | 22,38,229 (-) | 22,38,229 (-) |
| Credit balances (Share application money [including refundable portion]) | 15,00,00,000 (16,00,00,000) | | 15,00,00,000 (16,00,00,000) |

Notes: a. The names of the related parties are disclosed under each nature of transaction where the transaction with single party is 10% or more of relevant nature of transactions. b. The figures in bracket pertains to previous year

25 The company has single business segment of Financing Activities and Geographical location in India.

26 The company does not have any dues to micro, small and medium enterprises.

27 The company does not have any commitment or contingent liability.

- 28** These consolidated financial statements include financials of 100% subsidiary of the company viz. AMW Finance Limited, whose financial year also ended on March 31, 2013.
- 29** During the year the company has made Contingent Provision at 0.25% against its standard assets related to financing activities in accordance with the requirement of Notification No. DNBS.222/ CGM (US)-2011 dated 17.01.2011 issued by the Reserve Bank of India (RBI). The amount of provision on standard assets is shown separately as “Contingent Provision against Standard Assets” under “Provisions” in the Balance Sheet.
- 30** Information as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007:
- a. Disclosures regarding loans and advances availed by the Company and break up investments are given in the related notes forming part of accounts.
- b. Borrower group-wise classification of all leased assets, stock-on-hire (net) and loans given:

| | March 31,2013 |
|--------------------------------------|----------------------|
| | Rs. |
| | Unsecured |
| 1. Related Parties | |
| (a) Subsidiaries | - |
| (b) Companies in the same group | - |
| (c) Other related parties | - |
| 2. Other than related parties | 13,47,56,327 |
| TOTAL | 134,756,327 |

c. Other Information:

1. Gross Non - Performing Assets

- | | |
|--------------------------------|---|
| (a) Related parties | - |
| (b) Other than related parties | - |

2. Net Non-Performing Assets

- | | |
|--------------------------------|---|
| (a) Related parties | - |
| (b) Other than related parties | - |

3. Assets acquired in satisfaction of debt

- | | |
|--|---|
| | - |
|--|---|

31 Previous year figures have been rearranged / regrouped wherever necessary.

As per out attached report of even date.

For Nisar & Kumar
Chartered Accountants
K. M. Mahadik(Partner)
Date: May 3, 2013 Mumbai

For and on behalf of the Board
Sandeep Soni (Director)

V. G. Raghavan (Director)
Arun Ranga (Company Secretary)
Date: May 3, 2013 Mumbai

ATTENDANCE SLIP

(TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

I hereby record my presence at the Twenty Ninth ANNUAL GENERAL MEETING of the Company at Peninsula Technopark, Tower-1, 7th floor, Off Bandra-Kurla Complex, LBS Marg, Kurla (West), Mumbai – 400 070 on Friday, 20th September, 2013 at 11.00 a.m.

NAME OF THE MEMBER ATTENDING MEETING (IN BLOCK LETTERS)

NAME OF THE PROXY (To be filed in if the proxy has been duly deposited with the Company)

SIGNATURE OF THE MEMBER / PROXY

Member's Folio Number / Client ID and DP ID

No. of Shares

PROXY FORM

Folio No. _____ No. of Shares held _____
Client ID No. _____ DP ID No. _____

I/ We _____ of
_____ being member/ members of
Frontier Leasing and Finance Limited, hereby appoint
_____ of _____ or failing him
_____ of _____ as my / our proxy to
attend and vote for me / our behalf at the Twenty Ninth ANNUAL GENERAL MEETING of the
Company to be held on Friday 20th September, 2013 at 11.00 a.m. at Peninsula
Technopark, Tower-1, 7th floor, Off Bandra-Kurla Complex, LBS Marg, Kurla (West), Mumbai –
400 070 and at any adjournment thereof.

Signed this _____ day of _____ 2013

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

| |
|--------------------------------------|
| AFFIX 1 RUPEE REVENUE STAMP |
|--------------------------------------|

SIGNATURE

Statement on Balance Sheet Abstract and General Business Profile of the Company

I. Registration Details

| | |
|--------------------|-------------------------------|
| Registration No. | 33128 |
| State Code | 11 |
| Balance Sheet Date | March 31 st , 2013 |

II. Capital raised during the year (Amount in Rupees)

| | | | |
|--------------|-----|-------------------|-----|
| Public Issue | Nil | Rights Issue | Nil |
| Bonus Issue | Nil | Private Placement | Nil |

III. Position of mobilization and deployment of funds (Amount in Rupees)

| | | | |
|----------------------|--------------|----------------------|--------------|
| Total Liabilities | 18,78,90,109 | Total Assets | 18,78,90,109 |
| Sources of Funds | | | |
| Paid-up Capital | 24,50,000 | Reserves and Surplus | 2,95,89,537 |
| Secured Loans | Nil | Unsecured Loans | Nil |
| Application of Funds | | | |
| Net Fixed Assets | 6,66,593 | Investments | 5,00,000 |
| Net Current Assets | 17,85,83,089 | Accumulated Losses | Nil |
| Misc. Expenditure | Nil | | |

IV. Performance of the Company (Amount in Rs. thousands)

| | | | |
|---------------------------|-------------|-------------------------|-----------|
| Revenue | 1,86,92,242 | Total Expenditure | 37,43,996 |
| Profit/ (Loss) Before Tax | 1,49,48,246 | Profit/(Loss) After Tax | 92,63,979 |
| Earnings per Share (Rs.) | 37.81 | Dividend Rate (%) | 10 |

V. Generic Names of three principal products of the Company (as per monetary terms)

Hire Purchase Financing

For and on behalf of the Board

Mr. V. G. Raghavan (Director)

Mr. Sandeep Soni (Director)

Place : Mumbai

Date: 8th August, 2013