

FRONTIER

INFORMATICS LIMITED

26th Annual Report 2013-14

Reg Off: H.No:8-3-960, Flat No.403, Siri Enclave, Srinagar Colony Main Road, Hyderabad -500 073



FRONTIER INFORMATICS LIMITED
HYDERABAD

26th Annual Report

BOARD OF DIRECTORS

Vunnava Purnachandra Rao	Chairman, Non Executive & Independent Director
V.K. Premchand	Managing Director
Bommaraju Prasanna Lakshmi	Director Non Executive non Independent
Shashikala Ambarkar	Director Non Executive non Independent
Singh B Yalamanchili	Director Non Executive, Independent
Dharamkar Mamatha Nandan	Director Non Executive non Independent
Potail Yadav Varun	Director Non Executive non Independent
S.P.Vivekanada wef 24.04.2014	Additional Director Non Executive non Independent
T.RajKumar wef 24.04.2014	Additional Director Non Executive Independent
R.Anantha Chary wef 24.04.2014	Additional Director Non Executive Independent
P.Sudheer Anand Verma wef 24.04.2014	Additional Director Non Executive Independent

REGISTERED OFFICE

H. No. : 8-3-960, Flat No.403,
Siri Enclave, Srinagar Colony
Hyderabad - 500073, Telangana.
CIN : L72200TG1986PLC006644

AUDITORS

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

BANKERS

Bank of India	State Bank of India
Hyderabad Overseas Branch	Ashoknagar Branch
Hitech City, Madhapur	Hyderabad-500 020
Hyderabad-500 033	

REGISTRARS & SHARE TRANSFER AGENTS

Karvy Computershare Pvt. Ltd
46, Avenue 4, Street No.1, Banjara Hills,
Hyderabad - 500034

LISTING OF EQUITY SHARES:-

Bombay Stock Exchange Limited (BSE)-Mumbai



NOTICE

Notice is hereby given that the 26th Annual General Meeting of the members of FRONTIER INFORMATICS LIMITED will be held at 10.00 AM on Tuesday, the 30th day of September 2014 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, 2014, the Profit & Loss Account and Cash Flow Statement for the period ended on March 31, 2014 along with schedules & annexure and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vunnava Purnachandra Rao, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Shashikala Ambarkar, who retires by rotation, and being eligible, offers herself for re-appointment.
4. 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 there under 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

5. To Appoint Mr S.P.Vivekananda as Director :
To consider and if thought fit to pass with or without modifications the following as an ordinary resolution:
“RESOLVED THAT Mr. S.P. Vivekananda, Din 01727971, who was appointed as an Additional Director of the Company under Section 161 of the Companies Act, 2013 wef 24.04.2014 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 from a member, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

6. To appoint Mr. T.RajKumar as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the rules made there under, (including any statutory modifications or reenactments thereof for the time being in force) read with schedule IV to the Companies Act, 2013, **Mr. T.RajKumar** , Din 01655117 , who was appointed as an Additional Director of the Company wef 24.04.2014 and who holds office up to the date of this Annual General Meeting and who has offered himself for appointment as an Independent Director and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 from a member, in writing, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 2 years from the conclusion of this Annual General Meeting, viz 30.09.2014.”

7. To appoint Mr. R.Anantha Chary as Independent Director

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

“RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the rules made there under, (including any statutory modifications or reenactments thereof for the time being in force) read with schedule IV to the Companies Act, 2013, **Mr. R.Anantha Chary**, Din 01308542 , who was appointed as an Additional Director of the Company wef 24.04.2014 and who holds office up to the date of this Annual General Meeting and who has offered himself for appointment as an Independent Director and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 from a member, in writing, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 2 years from the conclusion of this Annual General Meeting, viz 30.09.2014.”

8. To appoint Mr. P.Sudheer Anand Verma as Independent Director

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

“RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the rules made there under, (including any statutory modifications or reenactments thereof for the time being in force) read with schedule IV to the Companies Act, 2013, **Mr. P.Sudheer Anand Varma** , Din 06551673 , who was appointed as an Additional Director of the Company wef 24.04.2014 and who holds office up to the date of this Annual General Meeting and who has offered himself for appointment as an Independent Director and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 from a member, in writing, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 1 year from the conclusion of this Annual General Meeting, viz 30.09.2014.”

9. 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, 2014 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.”

10. 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 1 year wef 1st October, 2014 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”

By order of the Board

For **Frontier Informatics Limited**

Place: Hyderabad.
Date: 05.09.2014

V.K.Premchand
Managing Director

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The proxy in order to be effective must be received by the company at its registered office, duly completed and signed, not less than 48 hours before the commencement of the Annual General Meeting.
3. Members/proxies are requested to bring their copies of Annual Report and the attendance slip duly filled in for attending the meeting. Copies of the Annual Reports will not be provided at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 26th September, 2014 to Tuesday the 30th September 2014 (inclusive of both days).
5. Members are requested to notify immediately any change in their address to the share transfer agents and in case their shares are held in dematerialised 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 easier 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 26th Annual General Meeting by electronic voting and the business may be transacted through eVoting service provided by Karvy Computershare Pvt Ltd (KARVY).
13. The eVoting commences on Tuesday the 23rd September, 2014 at 10 AM and ends on Thursday, the 25th September, 2014 at 6.00 PM. Members holding shares in their physical or dematerialized form as on the cut off date of 29th August, 2014 may cast their vote electronically. The eVoting module shall be enabled by Karvy Computershare Pvt Ltd (KARVY) during the above mentioned period.

PROCEDURE FOR E-VOTING

In terms of Clause 35 B of the Listing Agreement, 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 Friday, September 5, 2014, i.e. the cut-off date taken by the Company for dispatch of the Annual Report and the Notice calling the Annual General Meeting. **The e-voting period will commence from Tuesday, September 23, 2014 at 10.00 am and will end at 6.00 pm on Thursday, September 25, 2014. The e-voting module will be disabled on September 25, 2014 at 6.00 pm.** The voting right of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date, being September 5, 2014.

The Company has entered into an arrangement with Karvy Computershare Private Limited (Karvy) for facilitating e-voting for AGM. The instructions for e-voting are as under:

1. Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
2. Enter the login credentials (i.e. user-id & password) mentioned on the Attendance Slip/ Email forwarded through the electronic notice.

User -ID	For Shareholder(S)/ Beneficial Owner(S) Holding Shares In Demat Form:- a) For NSDL:- 8 Characters DP ID Followed By 8 Digits Client ID b) For CDSL:- 16 Digits Beneficiary ID For Members holding shares in Physical Form:- Folio Number registered with the company
Password	Your Unique password is printed on the AGM Attendance Slip / sent via email forwarded through the electronic notice.
Captcha	Enter the Verification code for Security reasons i.e., please enter the alphabets and numbers in the exact way as they are displayed.

3. After entering these details appropriately, click on "LOGIN".

4. Members holding shares in Demat/Physical form will now reach password change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like *,#,@ etc.). Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly ensure that you note down your password for future reference.
5. You need to login again with the new credentials.
6. On successful login, system will prompt to select the 'Event' i.e., '**FRONTIER INFORMATICS Limited**'.
7. If you are holding shares in Demat form and had logged on to <https://evoting.karvy.com> and casted your vote earlier for any other company, then your existing login id and password are to be used.
8. On the voting page, you will see Resolution Description and against the same the option '**FOR/AGAINST/ABSTAIN**' for voting .Enter the number of shares under '**FOR/AGAINST/ABSTAIN**' or alternatively you may partially enter any number in '**FOR**' and partially in '**AGAINST**', but the total number in '**FOR/AGAINST**' taken together should not exceed your total shareholding. If you do not want to cast a vote, you may select '**ABSTAIN**'.
9. After selecting the resolution if you have decided to cast vote on the same, click on "**SUBMIT**" and a confirmation box will be displayed .If you wish to confirm your vote, click on "**OK**", else to change your vote, click on "**CANCEL**" and accordingly modify your vote.
10. Once you '**CONFIRM**' your vote on the resolution, you will not be allowed to modify your vote.
11. Corporate/Institutional Members (corporate /Fls/Flls/Trust/Mutual Funds/Banks, etc) are required to send scanned copy (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to ansarma@yahoo.co.in with a copy to evoting@karvy.com. The file scanned image/pdf file of the Board Resolution should be in the naming format "**Corporate Name**."

Contact for issues relating to e-voting: M/s.Karvy Computershare Private Limited, plot No.17-24, Vittal Rao Nagar, Madhapur, and Hyderabad 500 081. **Toll Free Number: 1-800-3454-001**

14. The Company has appointed Mr A.N.Sarma, practicing Company Secretary, (FCS 4557, CP 7812), who in the opinion of the Board, is a duly qualified professional, who will scrutinize the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the closure of eVoting, submit his report of the votes cast in favor or against the proposed resolutions, to the chairman of the company. The results of the same will be disclosed in the proceedings of the Annual General Meeting to be held on 30th September, 2014.

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

V.K. Premchand
Managing Director

Place: Hyderabad.
Date: 05.09.2014

ANNEXURE TO THE NOTICE - EXPLANATORY STATEMENT

(Pursuant to Section 102 of Companies Act, 2013)

Item No 5:

Mr S.P.Vivekanada , was appointed as an additional director by the Board with effect from 24th April 2014. His DIN is 01727971 and PAN : BBXPS 5035 G.

In terms of Section 161 of the Act and Article 101 of the Company's Articles of Association, Mr S.P.Vivekanada holds office as Director only till the date of the forthcoming Annual General Meeting but is eligible for appointment. Notice has been received from a member as required by Section 160 of the Act, signifying his intention to propose the candidature of Mr S.P.Vivekanada for the office of Director.

A brief profile of Mr S.P.Vivekananda as per clause 49 of the listing agreement is as under :

1	Date of Birth	01/12/1976
2	Date of Appointment	24/04/2014
3	Qualification	MBA
4	Experience in specific functional area	4 Years in Manufacturing sector & 7 years in Software Industry in Managerial capacity

5	Directorships in other Companies as on 31.03.2014	3 Companies
6	Chairmanship/membership of specified committees of the Board in above companies	None
7	Share holding in the Company	NIL

None of the Directors other than Mr S.P.Vivekanada is interested in the respective Resolution.

Item No 6:

Mr T.Raj Kumar, was appointed as an additional director by the Board with effect from 24th April 2014. **His DIN is 01655117 and PAN : AFHPT 5660 D.**

In terms of Section 161 of the Act and Article 101 of the Company's Articles of Association, Mr T.Raj Kumar holds office as Director only till the date of the forthcoming Annual General Meeting but is eligible for appointment. Notice has been received from a member as required by Section 160 of the Act, signifying his intention to propose the candidature of Mr Mr T.Raj Kumar for the office of Director.

A brief profile of Mr T.RajKumar as per clause 49 of the listing agreement is as under :

1	Date of Birth	15/12/1965
2	Date of Appointment	24/04/2014
3	Qualification	B.Com
4	Experience in specific functional area	15 years experience as Management Consultant
5	Directorships in other Companies as on 31.03.2014	2 Companies
6	Chairmanship/membership of specified committees of the Board in above companies	None
7	Share holding in the Company	NIL

None of the Directors other than Mr T.Raj Kumar is interested in the respective Resolution.

Item No 7:

Mr R.Anantha Chary, was appointed as an additional director by the Board with effect from 24th April 2014. **His DIN is 01308542 and PAN : AEFPR7268N.**

In terms of Section 161 of the Act and Article 101 of the Company's Articles of Association, Mr R.Anantha Chary holds office as Director only till the date of the forthcoming Annual General Meeting but is eligible for appointment. Notice has been received from a member as required by Section 160 of the Act, signifying his intention to propose the candidature of Mr Mr R.Anantha Chary for the office of Director.

A brief profile of Mr R.Anantha Chary, as per clause 49 of the listing agreement is as under :

1	Date of Birth	14/12/1972
2	Date of Appointment	24/04/2014
3	Qualification	Post Graduate in PR associated with construction Industry for 15 Years
4	Experience in specific functional area	Post Graduate in PR associated with construction Industry for 15 Years
5	Directorships in other Companies as on 31.03.2014	2 Companies
6	Chairmanship/membership of specified committees of the Board in above companies	None
7	Share holding in the Company	NIL

None of the Directors other than Mr R.Anantha Chary is interested in the respective Resolution.

Item No 8:

P.Sudheer Anand Verma , was appointed as an additional director by the Board with effect from 24th April 2014. **His DIN is 06551673 and PAN : AYEPP 8699 G.**

In terms of Section 161 of the Act and Article 101 of the Company's Articles of Association, P.Sudheer Anand Verma holds office as Director only till the date of the forthcoming Annual General Meeting but is eligible for appointment. Notice has been received from a member as required by Section 160 of the Act, signifying his intention to propose the candidature of Mr Mr P.Sudheer Anand Verma for the office of Director.

A brief profile of Mr P.Sudheer Anand Varma, as per clause 49 of the listing agreement is as under :

1	Date of Birth	27/03/1973
2	Date of Appointment	24/04/2014
3	Qualification	Bachelor in Commerce
4	Experience in specific functional area	15 years in Software Industry in Managerial capacity
5	Directorships in other Companies as on 31.03.2014	1 comapny
6	Chairmanship/membership of specified committees of the Board in above companies	None
7	Share holding in the Company	NIL

None of the Directors other than P.Sudheer Anand Varma is interested in the respective Resolution.

Item No 9:

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 of the company.

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, 2014. 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 10:

The Board of Directors appointed Mrs B.Prasanna Lakshmi, as the Executive Director of the company for a period of one year wef 01.10.2014.

Mrs Bommaraju Prasanna Lakshmi, aged 43 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 fields 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, 2014. 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.

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

V.K. Premchand
Managing Director

Place: Hyderabad.
Date: 05.09.2014

DIRECTORS' REPORT

To
The Members,

Your Directors hereby present the Twenty Sixth Annual Report together with the audited accounts of the Company for the year ended March 31, 2014.

The Financial Results and operations are as follows:

(Rupees in Lakhs)

S.no.	PARTICULARS	For the year 2013-14	For the year2012-13
1	Total Income	4.30	45.25
2	Gross Profit / (Loss) before Depn	(15.43)	19.63
3	Depreciation	9.73	26.78
4	Operating Profit / (Loss)	(25.16)	(7.15)
5	Interest	0.00	0.00
6	Prior Period Adjustments/ Write Offs/ Taxes	00.00	00.00
7	Net Profit / (Loss) after tax	(25.16)	(7.15)
8	Earnings per Share	(0.19)	(0.05)
9	Net Worth	(112.41)	(87.25)

DIVIDENDS

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

BUSINESS OPERATIONS**1. Web-enabled Health Care Software Development.**

Significant progress has been made during the year in the development of Web-enabled Health Care Software.

2. US consulting Business

There were no consulting Business Operations in US or other countries during 2014-14

FURTHER ISSUE OF SHARES ETC

The company has not issued any 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).

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, of Mr. Vunnava Poornachandar Rao and Mrs Shashikala Ambarkar, Directors are liable to retirement by rotation and being eligible offer themselves for re-appointment. The Board recommends for their reappointment.

During the year, Mr P.S.Vivekananda (Non Independent), Mr T.RajKumar, Mr R.Anantha Chary and Mr P.Sudhher Anand Verma were appointed as Independent Director wef 24.04.2014 fo strengthen the Board. Consequently 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 Niranjana & Narayan, Chartered Accountants, Hyderabad, retire at the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from the Auditors for their re-appointment, if made will be in conformity with Section 139 of the Companies Act 2013 and also in compliance of the Listing Agreement regarding Peer Review. The board and the Audit committee recommend the re-appointment of M/s. Niranjana & Narayan Chartered Accountants, Hyderabad as Statutory Auditors to hold office till conclusion of the Next Annual General Meeting.

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

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

<i>Provident Fund dues</i>	<i>Rs. 6,19,121</i>
<i>Dividend Distribution Tax</i>	<i>Rs 9,75,000</i>
<i>Others</i>	<i>Rs 1,29,675</i>

Director's Statement: The Company had cleared provident fund dues during the previous years. However the PF department levied interest on delayed payments and the company requested for allowing payment through installments. The company has paid the installments during the FY 2013-14 and reduced the liability from Rs.7.80 lacs to Rs 6.19 lakhs and the Board of Directors hope to clear the installments in the current Financial Year. Other dues remain outstanding.

- (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 31.03.2014 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.

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 2014; 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 2014 on a 'going concern basis'.

PARTICULARS OF EMPLOYEES

There are no employees in the Company, whose particulars are required to be furnished under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and drawing salary in excess of the limits specified therein.

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 upward change either through Dedicated Development Centers for over seas 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, Library Management and Training and put more marketing efforts to secure Business. The company however suffers lack of working capital and lack of business. 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 raising of 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

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: 15.05.2014

V.K. Premchand
Managing Director

ANNEXURE 'A' TO THE DIRECTOR'S REPORT

Information under 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 and forming part of Directors Report.

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 SoftwareP rojects, development of Software Products and related services.

(Rs. In Lakhs)

Particulars	March 31, 2014	March 31, 2013
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

By order of the Board

For Frontier Informatics Limited**V.K.Premchand**
Managing DirectorPlace: Hyderabad.
Date: 15.05.2014

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2013-14

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, Four (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 2013-14 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, 2014 are given below:

Name	Category	Number of Board Meetings attended	Whether attended AGM held on 30.09.2013	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 Ambarkar	Non Executive Director	5	Yes	2	-	-
Bommaraju	Non Executive	5	Yes	1	-	-

FRONTIER

Prasanna Lakshmi	Director					
Potail Yadav Varun	Non Executive Director	3	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	-	-	3	-	-
*T.Raj Kumar	Independent & Non Executive Director	-	-	2	-	-
*R.Anantha Chary	Independent & Non Executive Director	-	-	2	-	-
*P.Sudhir Anand Verma	Independent & Non Executive Director	-	-	1	-	-

* S.P.Vivekananda T.RajKumar, R.Anantha Chary & P.Sudhir Anand Verma were appointed as an Additional Directors w.e.f. 24th April, 2014.

The dates on which, the Board Meetings were held during the year 2013-14 were 30th May, 2013, 13th August, 2013, 2nd September, 2013, 14th November 2013 and 14th February 2014.

Apart from receiving the 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 2013-14 i.e on 30th May, 2013, 13th August, 2013, 14th November 2013 and 14th February 2014. The attendance record of the Audit Committee members is given below:-

Name of the Member	Category	Designation	No. of Meetings held	Attended
Mr. Singh B Yellamanchili	Independent	Member	4	Nil
Mr Vunnava Purnachandra Rao	Independent	Chairman	4	4
V.K.PremChand	Executive	Member	4	4
Varun Potail Yadav	Non Executive	Member	4	4

Pursuant to the appointment of new directors wef 24.04.2014 the committee has been reconstituted as under :

Name of the Member	Category	Designation
Mr Vunnava Purnachandra Rao	Independent	Chairman
V.K.PremChand	Executive	Member
T.Raj Kumar	Independent	Member
R.Anantha Chary	Independent	Member

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 consented not to draw any salary for the year ended 31.03.2014, 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, 2014 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 Vunnava Purnachandra Rao, 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
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
2011	30 th September, 2011	10.00 AM	Lions Bhavan Trust, Secunderabad	2

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 26th Annual General Meeting of the Company will be held on Tuesday at 10.00 AM on 30th day of September 2014 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 2013 to 31st March 2014.
- c) Date of Book Closure: from Friday 26th September 2014 to Tuesday the 30th day of September, 2014.(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. Ltd 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad-500034
- 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 2014, 11966999 shares are under dematerialization, representing 89.91.% of the paid up capital.

i) Status of Shareholders' complaints

Status of the investor complaints during the FY 2013 2014:

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	Nil	Nil	Nil

j) Distribution of shareholding as on 31st March, 2014:

Holding of number of Shares or Debentures	Share/Debenture (Holders)		Shares/Debentures (Amount)	
	Number	%	Rs.	%
1 - 5000	8694	73.68	17913770	13.46
5001 - 10000	1470	12.46	12696370	9.54
10001 - 20000	717	6.08	11408050	8.57
20001 - 30000	309	2.62	7959910	5.98
30001 - 40000	112	0.95	4103110	3.08
40001 - 50000	148	1.25	7132600	5.36
50001 - 100000	196	1.66	14748020	11.08
100001 - Above	154	1.31	57142170	42.93
Total	11800	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 '13	0.85	0.62	October '13	0.70	0.53
May '13	0.61	0.55	November '13	0.64	0.47
June '13	0.69	0.57	December '13	0.49	0.33
July '13	0.66	0.50	January '14	0.60	0.37
August '13	0.56	0.50	February '14	1.04	0.63
September '13	0.76	0.56	March '14	1.22	1.06

b) Shareholding Pattern as on 31ST March 2014

<u>Sl no</u>	<u>Category</u>	<u>No. Of shares</u>	<u>% of shareholding</u>
1	Promoters	331481	2.49
2	Mutual funds and UTI	11800	0.09
3	Banks, Financial Institution, Insurance companies, FII's	1200	0.01
4	Private Corporate Bodies	1614983	12.13
5	Indian Public	10712832	80.48
6	NRIs/OCBs	638103	4.79
7	Clearing Members	1	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:** H.No:8-3-960, Flat No.403, Siri Enclave, Srinagar Colony Main Road, Hyderabad - 500073 and email to: premchand@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
Vunnava Pornachandar Rao	Has vast experience in the field of Banking & Education	56 years
Mrs. Shashikala Ambarkar	Has wide range of experience in fields of personal relation, Finance etc	45 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 violative 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, 2014 as stipulated in clause 49 of the listing agreement of the said company with the stock exchange in India, with the relevant records and documents maintained by the Company and furnished to us and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the said compliance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. Based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has complied with the said conditions of Corporate Governance as stipulated in the above mentioned listing agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Sd/-

Partner

Membership No: 029552

Date : 05.09.2014

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, 2014

Hyderabad
05.09.2014

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 2013-2014 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
05.09.2014

V K Premchand
Managing Director

AUDITORS' REPORT

To
The Members,
FRONTIER INFORMATICS LIMITED,
HYDERABAD.

1. Report on the Financial Statements

We have audited the attached Financial Statements of **FRONTIER FORMATICS LIMITED**, Limited as at 31st March, 2014 which comprise the Balance Sheet as at 31st March, 2014, 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 the statements annexed thereto

Management 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 211(3C) 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 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 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 management 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, 2014;
- 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, 2003 issued by the Central Government of the India as amended by the Companies (Auditor s Report) (Amendment) Order, 2004 in terms of sub-section (4A) of section 227 of the Companies Act,1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.

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 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 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 dealt with by this report comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956, except for Accounting Standard -15, Accounting for retirement benefits in the financial statements of employer-refer point no.4 of Motes on Accounts.
- e. On the Basis of the written representation received from the directors as on 31st March, 2013, taken on record by the board of directors, none of the directors is disqualified as on 31st March,2013, from being appointed as director in terms of Section 274(1)(g) of the Act.

For Niranjana & Narayana
Chartered Accountants
Firm No : 005899S

Sd/-

Place: Hyderabad,
Date: 15th May, 2014

M.Niranjana
Partner
M.No : 29552

ANNEXURE TO AUDITOR'S REPORT

Ref : **FRONTIER INFORMATICS LIMITED**
(Referred to in paragraph 5 of our report of even date.)

- 1) (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 and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) During the year, the company has not disposed off any of its assets. The company continues to be engaged in business of software development.

- 2) The Company is engaged in software services and does not have any inventory; therefore clause (ii) of CARO does not apply.

- 3) (a) As the company has not granted any loans to the parties covered in the register maintained under section 301 of the Companies Act, Clause (iii) (a), (b), (c) and (d) of Para 4 of the order does not apply.

(b) The company had taken interest free loan from an associated company covered in the register maintained under section 301 of the Companies Act, 1956, during earlier years amounting to Rs. 1.05 lakhs which is outstanding as on 31.03.2014.

(c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans granted are not prima facie prejudicial to the interest of the company.

- 4) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and with regard to the sale of software products. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control.

- 5) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, no transactions are made in pursuance of contracts or arrangements which need to be entered in the register maintained under section 301 of the Companies Act, 1956 exceeding the value of rupees five lakhs in respect of any party during the year.

- 6) According to the information and explanations given to us, the company has not accepted any deposits as per the provisions of the Companies (Acceptance of Deposits) Rules, 1975.
- 7) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 8) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
- 9) (a) The company is due to pay certain *statutory dues payable under are :*

<i>Provident Fund dues</i>	<i>Rs. 6,19,121</i>
<i>Dividend Distribution Tax</i>	<i>Rs 9,75,000</i>
<i>Others</i>	<i>Rs 1,29,675</i>

(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 31.03.2014 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.*

(c) According to the information and explanation given to us, there are no dues of customs duty, wealth tax, sales tax, excise duty and cess which have not been deposited on account of any dispute **except disputed income tax dues amounting to Rs 12,74,010/- relating to Asst year 2001.02 where a consequential order favoring the company is due and Rs 19,41,784/- relating to Asst Year 2002.03, which is under appeal.** These amounts have been due for a period of more than six months.

- 10) **The accumulated losses of the company are more than the company's net worth. As of 31st March 2014 the Paid up share Capital of the Company is 1331.04, while Reserves are Rs (1443.45) lakhs. The company has made Cash Loss of Rs 15.43 lakhs during the current year (Previous Year Cash Profit of Rs 19.62 lakhs).**
- 11) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any scheduled Bank.
- 12) We are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares debentures and other securities.
- 13) We are of the opinion that the company is not a chit fund or a *nidhi* mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

- 14) In our opinion the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor s Report) Order, 2003 are not applicable to the company.
- 15) In our opinion, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16) In our opinion, the company has not raised any term loan(s) during the year .
- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds raised have been used to finance short-term assets except permanent working capital.
- 18) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- 19) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued any debentures.
- 20) According to the information and explanations given to us, during the period covered by our audit report, the company has not raised any funds through public issue.
- 21) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

for Niranjan & Narayan,
CHARTERED ACCOUNTANTS
Firm No : 005899s

Place: Hyderabad
Date: 15.05.2014

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

FRONTIER INFORMATICS LIMITED
8-3-960, Flat No 403, Siri Enclave, Keshav Nagar, Srinagar Colony, Hyderabad-73
BALANCE SHEET AS AT 31st March, 2014

(Amount in Rupees)

PARTICULARS	NOTE	As at 31.03.14	As at 31.03.13
<u>A EQUITY & LIABILITIES</u>			
1 Share holders' Funds			
a) Share Capital	3	133,104,000	133,104,000
b) Reserves and Surplus	4	(144,344,672)	(141,828,686)
2 Share Application Money Pending Allotment			
		-	-
3 Non Current Liabilities			
a) Long Term Borrowings	5	-	-
b) Other Long Term Liabilites	6	-	-
4 Current Liabilities			
a) Short Term Borrowings	7	19,395,369	16,161,151
b) Trade Payables	8	765,067	1,265,068
c) Other Current Liabilities	9	1,733,796	1,885,362
d) Short term Provisions	10	755,861	724,271
TOTAL :		11,409,423	11,311,168
<u>B ASSETS</u>			
1 Non-current Assets			
a) Fixed Assets			
i) Tangible Assets	11A	1,248,180	1,551,765
ii) Intangible Assets	11B	1,342,853	2,012,341
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	3,268,790	3,261,793
d) Cash and Cash Equivalents	19	892,315	132,588
e) Short Term loans & Advnaces	20	4,657,286	4,352,681
f) Other Current Assets	21	-	-
TOTAL :		11,409,423	11,311,168

For Niranjan & Narayan
Chartered Accountants
Firm No : 005899s

For and on behalf of the Board
Frontier Informatics Limited

Niranjan
Partner
M.No : 029552

V K PREMCHAND B.PRASANNA LAKSHMI
Managing Director Executive Director

Place : Hyderabad
Date : 15.05.2014

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, 2014
(Amount in Rupees)

PARTICULARS	Schedule	<u>As at 31.03.14</u>	<u>As at 31.03.13</u>
A CONTINUING OPERATIONS			
1 Revenue from Operations		430,353	4,525,574
2 Other Income	23	3,738	-
Total		<u>434,091</u>	<u>4,525,574</u>
EXPENSES			
3 Salaries and Allowances	24	978,041	1,163,997
4 Financial Charges	25	-	-
5 Depreciation & Amortisation	11	973,073	2,677,977
6 Other Expenses	26	998,963	1,398,943
Total		<u>2,950,077</u>	<u>5,240,917</u>
7 Profit/Loss before Extraordinary Items		<u>(2,515,986)</u>	<u>(715,343)</u>
8 Exceptional/Extraordinary Items	27	-	-
9 Profit / Loss Before Tax		-	-
10 Tax Expense & Provision	28	-	-
11 Profit/Loss from Continuing Operations		<u>(2,515,986)</u>	<u>(715,343)</u>
12 Profit/Loss from Discontinuing Operations		-	-
13 Profit / Loss for the Year		<u>(2,515,986)</u>	<u>(715,343)</u>
14 Earnings per Share of Rs 10/- each			
a) Basic		-	-
i) Continuing Operations		<u>(2,515,986)</u>	<u>(715,343)</u>
ii) Total Operations		<u>(2,515,986)</u>	<u>(715,343)</u>
15 Earnings Per share (Excluding Extraordinary Items) of Rs 10/- each			
a) Basic		-	-
i) Continuing Operations		(0.19)	(0.05)
ii) Total Operations		<u>(0.19)</u>	<u>(0.05)</u>

See accompanying Notes forming part of Accounts

Vide our report of even date annexed

Niranjan & Narayan
Chartered Accountants
Firm No : 005899s

For and on behalf of the Board
Frontier Information Technologies Limited

M.NIRANJAN
Partner
M.No : 029552
Place : Hyderabad
Date : 15.05.2014

V K PREMCHAND B.PRASANNA LAKSHMI
Managing Director/Executive Director

SASHIKALA AMBAKAR
Director

CASH FLOW STATEMENT PURSUANT TO THE CLAUSE 32 OF LISTING AGREEMENT		
	Rs.in Lakhs	
Particulars	Mar 2014	Mar 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss as per Profit & Loss account	-25.16	-7.15
Less: Depreciation & Impairments	9.73	26.78
Less: Writeoffs	0.00	0.00
Less: Bad debts written off	0.00	0.00
Add: Profit on sale of investments	0.00	0.00
Operating Profit/(Loss) before Working Capital Changes	(15.43)	19.63
Changes in Working Capital		
Increase/(decrease) in operating assets		
Trade Receivables	0.07	-1.87
Short Term Loans & Advances	<u>3.05</u>	<u>11.44</u>
	<u>3.12</u>	<u>9.57</u>
Increase/(decrease) in operating Liabilities		
Short Term Borrowings	32.34	-0.73
Trade Payables	-5.00	-0.50
Other Current Liabilities	-1.52	-2.23
Short term Provisions	<u>0.32</u>	<u>-0.95</u>
	<u>26.14</u>	<u>-4.41</u>
Cash Flow from Working Capital Changes	23.03	-13.98
Cash from Extraordinary Items	-	-
Cash Generated from Operations	23.03	(13.98)
Net Income tax paid/refunds	-	<u>23.03</u>
		<u>(13.98)</u>
Net Cash flow from Operating Activities	<u>7.60</u>	<u>5.65</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets	0.00	5.77
Decrease in Fixed Assets	0.00	0.00
Sale of Investments etc	0.00	0.00
	<u>0.00</u>	<u>5.77</u>
Net Cash from Operating Activities	7.60	(0.12)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Short Term Borrowings	0.00	0.00
Increase in Long term Borrowings	<u>0.00</u>	<u>0.00</u>
Net cash generated in financing activities	0.00	0.00
D. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		
	7.60	-0.12
E. CASH AND CASH EQUIVALENTS - OPENING BAL		
	1.33	1.45
F. CASH AND CASH EQUIVALENTS - CLOSING BAL		
	8.92	1.33
For and on behalf of the Board		
Place:Hyderabad	Sd/- (V.K.Premchand)	Sd/- (B.Prasanna Lakshmi)
Date: 15.05.2014	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 Nirmanjan & Narayan Chartered Accountants Firm No : 005899s	
Place:Hyderabad	Sd/- (Niranjan)	
Date : 15.05.2014	Partner M.No : 029552	

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

Particulars	As at 31.03.14	As at 31.03.13
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 31.03.14	As at 31.03.13
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	(424,908,484)	(424,193,141)
Add : Addition during the year	(2,515,986)	(715,343)
Closing Balance	(427,424,470)	(424,908,484)
TOTAL	(144,344,672)	(141,828,686)

NOTE 5 : LONG TERM BORROWINGS

TOTAL	-	-
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NOTE 6 : OTHER LONG TERM LIABILITIES

TOTAL	-	-
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NOTE 7 : SHORT TERM BORROWINGS

a) Loans Repayable on demand		
From Banks	-	-
From others -- Unsecured	2,045,623	2,411,405
b) Loans from Related Parties		
Refer note No (29.7)	17,349,746	13,749,746
	19,395,369	16,161,151
c) Deposits	-	-
d) Other loans & advances	-	-
TOTAL	19,395,369	16,161,151

NOTE 8 : TRADE PAYABLES

a) Acceptances	-	-
b) Other than Acceptances	765,067	1,265,068
TOTAL	765,067	1,265,068

Particulars	As at 31.03.14	As at 31.03.13
NOTE 9 : OTHER CURRENT LIABILITIES		
a) Current maturities of Long Term Debt	-	-
b) Application Money Received	-	-
c) Statutory Liabilities	1,733,796	1,885,362
d) Trade Security Deposits Received	-	-
e) Other Liabilites	-	-
TOTAL	1,733,796	1,885,362
NOTE 10 : SHORT TERM PROVISIONS		
a) Provision for Employee benefits	233,353	211,354
b) Provision for Tax	-	-
c) Provision for Dividend	-	-
d) Provision for other Expenses	522,508	512,917
TOTAL	755,861	724,271
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 Conisered Good	-	-
Unsecured Considered good	3,268,790	3,261,793
TOTAL	3,268,790	3,261,793

Particulars	As at 31.03.14	As at 31.03.13
NOTE 19 : CASH & CASH EQUIVALENTS		
Cash on Hand	5,048	7,410
Balances with Scheduled Banks:		
- in Current Accounts	887,267	6,112
- in Fixed Deposits	-	119,066
Balances with Non-Scheduled Banks:		
- in Bank of America	-	-
TOTAL	892,315	132,588
NOTE 20 : SHORT TERM LOANS & ADVANCES		
a) Loans & Advances to Related Parties	356,108	356,108
b) Security Deposits	42,000	179,677
c) Loans to Employees	-	-
d) Prepaid Expenses	-	-
e) Balances with Govt Authorities	2,682,898	2,678,116
f) Inter Corporate Deposits	-	-
g) Other loans & Advnaces	1,576,280	1,138,780
TOTAL	4,657,286	4,352,681
NOTE 21 : OTHER CURRENT ASSETS		
a) Unbilled Revenue	-	-
b) Unamortaised Expenses	-	-
c) Accruals	-	-
d) Others	-	-
TOTAL	-	-
NOTE 22 : REVENUE FROM OPERATIONS		
a) Sale of Products	-	-
b) Sale of Services-Dometic	430,353	1,003,261
c) Sale of Services-Export	-	3,522,313
d) Other Operating Inocme	-	-
TOTAL	430,353	4,525,574
NOTE 23 : OTHER INCOME		
a) Interest Inocme /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	978,041	1,163,997
b) Contribution to PF & Other Funds	-	-
c) Staff Welfare Expenses	-	-
TOTAL	978,041	1,163,997

Particulars	As at 31.03.14	As at 31.03.13
NOTE 25 : FINANCIAL CHARGES		
a) Interest Expense on		
i) Borrowings	-	-
ii) Trade Payables	-	-
iii) Other Borrowing Costs	-	-
TOTAL	-	-
NOTE 26 : OTHER EXPENSES		
Rent Charges	165,000	178,000
Rates & Taxes	141,577	
Travelling Expenses - Others	24,850	-
Advertising Charges	135,560	81,200
Electricity Charges	28,963	19,757
Telephone & Fax charges	9,584	22,435
Postage & Telegram	-	3,420
On Line Training Studen Project Exp	-	237,950
Printing, Stationery & Photocopying	-	26,945
Foreign Fluctuation loss		
Bank Charges	3,857	13,656
General Expenses	55,376	142,512
Payment to Auditors- Audit Fees	-	20,000
- Tax Audit Fees	24,944	-
Repairs & Maintenance		
-Buildings	12,600	22,545
- Computers	46,962	13,300
Demat Custodial Charges	-	146,065
AGM & other Exp	218,454	384,658
Legal & Professional Charges	111,236	66,500
Share Transfer Fee	20,000	20,000
TOTAL	998,963	1,398,943
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 Niranjn & Narayan Chartered Accountants Firm No : 005899s	For and on behalf of the Board Frontier Information Technologies Limited	
M.NIRANJAN Partner M.No : 029552	V K PREMCHAND Managing Director	B.PRASANNA LAKSHMI Executive Director
Place : Hyderabad Date : 15.05.2014	SASHIKALA AMBAKAR Director	

FRONTIER INFORMATICS LIMITED

NOTE 11

FIXED ASSETS

(Amount in Rupees)

S.No./Description	Gross Block				Depreciation				Net Block		
	Opening 01.04.2013	Additions (Disposals)	Impairment For the year	Closing	As at 30.09.2013	Opening Balance	Deletions	For the Year	Up to 31.03.2014	As at 31.03.2014	As at 31.03.13
IIA : TANGIBLE ASSETS											
1 Office Equipment	1,434,499	-	-	-	1,434,499	1,296,089	-	90,804	1,386,892	47,607	138,410
2 Computers & Hardware	1,104,080	-	-	-	1,104,080	189,582	-	178,971	368,553	735,527	914,498
3 Furniture & Fittings	534,120	-	-	-	534,120	35,264	-	33,810	69,073	465,047	498,856
TOTAL	3,072,699	-	-	-	3,072,699	1,520,934	-	303,585	1,824,519	1,248,180	1,551,765
II B : INTANGIBLE ASSETS											
(Software Products Developed by the Company)											
1 Kneets	37,041,503	-	-	-	37,041,503	36,522,918	-	-	36,522,918	518,585	518,585
2 HelloApp.com	20,700,393	-	-	-	20,700,393	20,410,588	-	-	20,410,588	289,805	289,805
3 Libris Dev. Systems Ver.B3,040,740	-	-	-	11,000,000	33,040,740	31,882,314	-	669,488	32,551,802	488,938	1,158,426
4 Web Enabled MasterHealth/6,650,182	-	-	-	11,000,000	76,650,182	76,604,657	-	-	76,604,657	45,525	45,525
TOTAL	167,432,818	-	-	11,000,000	167,432,818	165,420,477	-	669,488	166,089,965	1,342,853	2,012,341
GRAND TOTAL	170,505,517	-	-	11,000,000	159,505,517	166,941,411	-	973,073	167,914,484	2,591,033	3,564,106
Previous Year	169,928,413	-	-	-	169,928,413	164,263,434	-	1,456,764	165,720,198	4,208,217	5,664,981

For and on behalf of the Board

For Niranjan & Narayan
Chartered Accountants
Firm No : 0058995

V K PREMCHAND
Managing Director

B.PRASANNA LAKSHMI
Executive Director

SAASHIKALA AMBAKAR
Director

Niranjan
Partner
N.M.No : 029552
Place : Hyderabad
Date : 15.05.14

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 as per the rates specified in the Schedule XIV of the Companies Act, 1956 under Straight Line Method (SLM). The software Packages are depreciated as in the past on a consistent pattern.
- b) Depreciation on computers & software, vehicles, furniture & fixtures located outside India is provided as per the rates of depreciation specified in the local laws of the respective country provided the rates are not lower than the rates specified in Schedule XIV of the Companies Act, 1956.
- c) Depreciation on software products is made based on the estimated useful life of the assets, which is taken as 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 know 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 & Narayan
Chartered Accountants
Firm No : 005899s

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

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

Sd/-
(B.PRASANNA LAKSHMI)
Executive Director

Place: Hyderabad
Date: 15.05.2014

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 6,19,121/-.

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)	
		2013.14	2012.13
India	:	4.30	45.25

7. 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)	-	20.55	116.95	137.50
Others – Payments	-	--	--	--
Others – Net Receipts	-	25.00	11.00	36.00
Balance	-	45.55	127.95	173.50
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>2013.14</u>	<u>2012.13</u>
1.Loss as per Profit & Loss A/c	25,15,986	7,15,343
2.Number of shares (nos)	1,33,10,400	1,33,10,400
3.Loss Per share (Rs.)	(0.19)	(0.05)
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 Niranjana & Narayan
Chartered Accountants
Firm No : 005899s

For and on behalf of Board

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

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

Sd/-
(B.PRASANNA LAKSHMI)
Executive Director

Place: Hyderabad
Date: 15.05.2014

Sd/-
(SHASHIKALA AMBAKAR)
Director



FRONTIER INFORMATICS LIMITED

Registered Office: H.No:8-3-960, Flat No.403, Siri Enclave, Srinagar Colony Main Road, Hyderabad - 500073

Folio/Client ID No. No. of Shares held

PROXY FORM

I/We..... Ofin the district ofBeing a member/members of the above named company, hereby appoint Mr/Ms.....in the district ofas my/our proxy to attend and to vote for me/us on my/our behalf at the Twenty Sixth Annual General Meeting of the Company to be held on 30.09.2014 at 10.00 A.M. at Lions Bhavan Trust, Behind LIC & HDFC Bank, Near Paradise Circle (West) S.D Road, Secunderabad 500 003

Signed this day of 2013.
Signature of the member.....
Signature of the Proxy.....

Affix
Revenue
Stamp

NOTES: The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting. The Proxy need not be a member.

FRONTIER INFORMATICS LIMITED

Registered Office: H.No:8-3-960, Flat No.403, Siri Enclave, Srinagar Colony, Main Road, Hyderabad - 500073

Folio/Client ID No. No. of Shares held

ATTENDANCE SLIP

I hereby record my presence at the Twenty Sixth Annual General Meeting of the Company at Lions Bhavan Trust, Behind LIC & HDFC Bank, Near Paradise Circle (West) S.D Road, Secunderabad 500 003 on 30th September, 2014 at 10 AM.

.....
Full Name of Share Holder (in block letters) Signature DP NO :.....

Folio/Client ID No:..... No. of Shares held.....

.....
Full Name of the Proxy (in Block letters) Signature
(To be filled if the proxy attends instead of member)

FOR ATTENTION OF THE SHAREHOLDER

Shareholders may please note the electronic voting particulars as set out in the notice for the purpose of e-voting in terms of clause-35B of the Listing Agreement.

EVEN (E-Voting Event Number)	USER ID	PASSWORD

Note:

- 1.Please follow the e-voting instructions mentioned IN THE NOTICE.
2. Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.



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 myeabove -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.

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