

Frontier Leasing & Finance Limited

REGD. OFFICE: ESSAR HOSUE, 11 K. K. MARG, MAHALAXMI, MUMBAI- 400 034

27th Annual Report 2010-11

Board of Directors	:	Mr. V. G. Raghavan Mr. N. B. Vyas Mr. Manish Kedia
Company Secretary	:	Arun Ranga
Auditor	:	Nisar & Kumar Chartered Accountants, 1301, Arcadia Building, Next to Earnest House, NCPA Marg, Nariman Point Mumbai- 400 021
Banker	:	State Bank of Mysore
Registered Office	:	Essar House, 11 K. K. Marg, Mahalaxmi, Mumbai- 400 034 Tel.: +91 22 6660 1100 Fax: +91 22 6666 9426 Visit us at: www.essar.com
Registrar & Transfer Agent	:	Sharex Dynamic (India) Pvt. Ltd. 17/B, Dena Bank Building, 2 nd Floor, Horniman Circle, Fort, Mumbai- 400 001 Tel.: +91 22 2264 1376 / 2270 2485 Fax: +91 22 2264 1376 e-mail: investor@sharexindia.com

Frontier Leasing & Finance Limited

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NOTICE

Notice is hereby given that the twenty seventh Annual General Meeting of the member of Frontier Leasing & Finance Limited will be held on Friday, September 30, 2011 at 10.00 a.m. at the registered office of the Company at Essar House, 11 K. K. Marg, Mahalaxmi, Mumbai- 400 034 to transact the following businesses:-

ORDINARY BUSINESS:-

1. To consider and adopt the balance sheet as at March 31, 2011, profit and loss for the year ended on that date, reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended March 31, 2011.
3. To appoint Nisar & Kumar, Chartered Accountants, as statutory auditor of the Company and to fix their remuneration.
4. To appoint a director in place of Mr. V. G. Raghavan, who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:-

5. To consider and if thought fit, to pass, the following resolution, with or without modification, as an ordinary resolution:-

"Resolved that pursuant to the provisions of Section 260 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Manish Kedia, who was appointed as an Additional Director by the Board of Directors of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

By **Order of the Board**



Arun Ranga

Company Secretary

Date: September 5, 2011

Place: Mumbai

NOTES:-

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not to be a member. Proxies, in order to be valid, must be received by the company at the registered office not less than 48 hours before the meeting.

Frontier Leasing & Finance Limited

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2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no. 5 of the Notice set out above, is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 27, 2011 to September 30, 2011 (both days inclusive).
4. Members / Proxies should bring the attendance slip duly filled in for attending the meeting.
5. All documents referred in the accompanying notice are open for inspection at the registered office of the Company on all working days between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.

By **Order of the Board**



Arun Ranga
Company Secretary

Date: September 5, 2011

Place: Mumbai

The Ministry of Corporate Affairs has taken a Green Initiative in Corporate Governance by allowing paperless compliance by companies. Accordingly, companies can now send various documents electronically to those shareholders who registered their email addresses. To receive all communications including Annual Reports by email:

- ❖ Holders of shares in physical form are requested to fill up the E- mail registration form set out at the next page and send it to the share transfer agents, M/s Sharex Dynamic Pvt. Ltd.
- ❖ Members holding shares in demat form may register their email IDs with the Company or the depository participant.

Frontier Leasing & Finance Limited

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ANNEXURE TO THE NOTICE

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

Item No. 5

Mr. Manish Kedia was appointed as an Additional Director on the Board of the Company with effect from August 9, 2011 to hold office till the conclusion of the ensuing Annual General Meeting. The Company has received a notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1957 from a member signifying his intention to propose Mr. Manish Kedia as a candidate for the office of Directors of the Company.

The resolution as set out in item no. 5 of this Notice is accordingly commended for your acceptance.

None of the Directors except Mr. Manish Kedia is interested in the said resolution.

By **Order of the Board**



Arun Ranga

Company Secretary

Date: September 5, 2011

Place: Mumbai



NISAR & KUMAR

Chartered Accountants

Head office :

Door No. 6-2-941, Flat No. 205,
Mughal's Emami Mansion, Khairtabad,
Hyderabad - 500 004
Tel. No. 040-66758388, M. No. 09246458388
E-mail : nisarkumar@hotmail.com

AUDITORS' REPORT TO THE MEMBERS OF FRONTIER LEASING & FINANCE LIMITED

We have audited the attached Balance Sheet of Frontier Leasing & Finance Limited, as at March 31, 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) 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;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) On the basis of written representations received from the directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (v) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - ii. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii. in the case of cash flow statement, of the cash flows of the Company for the year ended on that date.

For NISAR & KUMAR
Chartered Accountants
Firm Regn. No.127820 W



Mahadik
K. M. Mahadik
Partner
M. No. 48453

Place: Mumbai
Date: September 5, 2011

Branch Offices :

1305, Arcadia Building,
Next to Earnest House, NCPA Marg,
Nariman Point, Mumbai - 400 021,
Tel. No. 022-40005394
Telefax: 022-66669511

C/o 27-K. M. Surat - Hazira Road,
Hazira, Gujarat State -394 270
Mob. No. 09879102440

Plot No.56, Vallabhaganapati Street,
SVP Nagar, Valasaravakkam,
Chennai - 600 087,
Tel. No: 044-24866811

Door No.30-10-2/1,
Pedavarthi Vari Street, Dabagardens,
Visakhapattanam - 530 020.
Mob. No. 09848028004

ANNEXURE REFERRED TO THE REPORT OF EVEN DATE FOR THE YEAR ENDED MARCH 31, 2011 OF FRONTIER LEASING & FINANCE LIMITED

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year as per programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As informed to us, the discrepancies noticed on such verification have been appropriately dealt with in the accounts.
- (c) During the year, the company has not disposed off substantial part of the fixed asset.
- (ii) Since the company do not have inventory (other stock on hire), the clause (ii) is not applicable to the company for the year.
- (iii) (a) The company has not granted any loans to companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:
- (b) In view of clause (iii) (a) above, clause (iii) (b) is not applicable.
- (c) In view of clause (iii) (a) above, clause (iii) (c) is not applicable.
- (d) In view of clause (iii) (a) above, clause (iii) (d) is not applicable.
- (e) The company has not taken any loans from companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (f) In view of clause (iii) (e) above, clause (iii) (f) is not applicable.
- (g) In view of clause (iii) (e) above, clause (iii) (g) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets and rendering of services. During the course of our audit, no major weakness has been noticed in the internal controls system.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions during the year that need to be entered into the register maintained under section 301.
- (b) In view of clause (v) (a) above, clause (v) (b) is not applicable.
- (vi) During the year the company has not accepted any public deposits.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) As informed to us, the maintenance of cost records have not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.



- (ix) (a) According to the records of the company, there were delays in deposit of undisputed statutory dues of income taxes with the Income tax authorities. As per the books of account and according to information and explanations given to us there are no undisputed dues of provident fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, wealth tax, Service Tax, Custom Duty, Excise Duty and Cess. There were no arrears of statutory dues outstanding as at March 31, 2011 for a period of more than six months from the date they became payable.
- (b) According to the records of the company, there are no dues Income Tax, Sales Tax of Wealth Tax, Service Tax, Custom duty and excise duty/cess which have not been deposited on account of dispute.
- (x) The company does not have accumulated losses at the end of the financial year and the company has not incurred any cash losses during the financial year covered by our audit and has incurred cash loss in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the books of account and information and explanations given by the management, we state that there are no dues to banks, financial institutions or debentureholders.
- (xii) Based on our examination of documents and records, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) Provisions of Chit Fund Nidhi/ Mutual Benefit Fund/Societies are not applicable.
- (xiv) The company is not engaged in dealing or trading in shares, securities, debentures and other investments.
- (xv) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) During the year the company has not borrowed any term loan.
- (xvii) During the year the funds raised on short term basis have been used for long term investments.
- (xviii) During the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) During the year, the company has not issued secured debentures.
- (xx) During the year, the company has not raised money by public issues.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For NISAR & KUMAR
Chartered Accountants
Firm Regn. No. 127820 W

mahadik



K. M. Mahadik
Partner
M. No. 48453

Place: Mumbai
Date: September 5, 2011

Frontier Leasing & Finance Limited

REGD. OFFICE: ESSAR HOSUE, 11 K. K. MARG, MAHALAXMI, MUMBAI- 400 034

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 27th Annual Report of your Company together with the audited accounts for the financial year ended on March 31, 2011.

OPERATIONS AND FINANCIAL RESULTS

During the year under review your Company acquired "Finance Division" from India Securities Limited on going concern basis.

Amount in INR

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Income	1,21,82,063	-
Less: Expenditure	35,90,177	2,87,991
Profit / (Loss) before tax	85,91,886	(2,87,991)
Less: Provision for taxation	31,10,000	-
Less: Deferred Tax Credit	2,92,509	30,288
Profit / (Loss) after tax	51,89,377	(2,57,703)
Less: Proposed dividend	2,45,000	-
Less: Corporate dividend tax	39,745	-
Less: Transfer to statutory reserve	10,37,875	-
Balance brought forward from previous year	20,16,903	22,74,606
Balance carried forward to the balance sheet	58,83,661	20,16,903

DIVIDEND

Your Directors recommended a dividend of Rs. 1/- per equity share of Rs. 10/- each for the year ended 31st March, 2011. The dividend distribution will result in a cash outgo of Rs. 2,85,745/- (including tax on dividend of Rs. 39,745/-).

DIRECTORS

Mr. S. M. Lodha ceased to be the Director of the Company consequent to his resignation. The Board places on record deep sense of appreciation for the services rendered by him during his tenure.

Mr. Manish Kedia was appointed as an Additional Director on the Board of your Company with effect from August 9, 2011. He holds the office till the conclusion of the ensuing Annual General Meeting of the Company. Necessary resolution for his appointment as a Director form part of the Notice of the Annual General Meeting.

Mr. V. G. Ragahavan retires by rotation at ensuing Annual General Meeting and being eligible, offers himself for re-appointment.



Frontier Leasing & Finance Limited

REGD. OFFICE: ESSAR HOSUE, 11 K. K. MARG, MAHALAXMI, MUMBAI- 400 034

DIRECTORS RESPONSIBILITY STATEMENT

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

- i. that in preparation of the annual accounts for the financial year ended March 31, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year under review;
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors had prepared the accounts for the financial year ended on March 31, 2011 on a going concern basis.

AUDITOR

Nisar & Kumar, Chartered Accountants, the auditor of the Company hold office until the conclusion of the forthcoming Annual General Meeting. The Company has received a certificate to the effect that their appointment, if done, will be within the limits prescribed under section 224(1B) of the Companies Act, 1956. Accordingly the members' approval being sought for their appointment as the auditor of the Company at the ensuing Annual General Meeting.

There are no audit qualifications / adverse remarks in the Auditors' Report to the members on the accounts of the Company for the year ended March 31, 2011.

CORPORATE GOVERNANCE

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

HOLDING COMPANY

Your Company continues to be subsidiary of Essar Capital Finance Private Limited.

The block contains three handwritten signatures or initials in black ink. The first is a cursive signature, the second is a stylized signature, and the third is a signature with a horizontal line underneath it.

Frontier Leasing & Finance Limited

REGD. OFFICE: ESSAR HOSUE, 11 K. K. MARG, MAHALAXMI, MUMBAI- 400 034

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

Information pertaining to section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 with respect to conservation of energy, technology absorption may be treated as NIL, since your Company is not a manufacturing Company. There has been no foreign exchange earnings or outgo during the year under review.

PARTICULARS OF EMPLOYEES

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

PUBLIC DEPOSIT

During the year under review, the Company has neither invited nor accepted any deposits from the public and there are no unclaimed deposits lying with the Company as on March 31, 2011.

ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude for the co-operation and assistance received from the banks, shareholders and various departments of Central and State Governments and thank them for their continued co-operation and support.

For and on behalf of the Board of Directors



Director



Director

Date: September 5, 2011

Place: Mumbai

Persons constituting "group" coming within the definition of "group" for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 include the following:-

S. No.	Name of the Person / Company
1	Essar Capital Finance Private Limited
2	Essar Capital Holdings (India) Limited
3	Mr. A. S. Ruia

FRONTIER LEASING & FINANCE LIMITED

BALANCE SHEET AS AT MARCH 31, 2011

	Schedule No.	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
<u>SOURCES OF FUNDS</u>			
Shareholders' Funds			
Share Capital	1	24,50,000	24,50,000
Advance against issue of preference shares		20,03,86,945	-
Reserves and Surplus	2	85,55,186	36,50,554
		<u>21,13,92,131</u>	<u>61,00,554</u>
Loan Funds			
Unsecured Loans	3	33,14,500	65,91,000
Deferred Tax Liability		5,743	-
TOTAL		<u><u>21,47,12,374</u></u>	<u><u>1,26,91,554</u></u>
<u>APPLICATION OF FUNDS</u>			
Fixed Assets			
Gross Block	4	26,56,690	6,24,532
Less: Depreciation Reserve		5,04,663	6,12,412
Net Block		<u>21,52,027</u>	<u>12,120</u>
Investments	5	3,00,000	2,499
Deferred Tax assets		-	2,86,766
Current Assets, Loans and Advances			
Stock on Hire	6	20,87,17,220	-
Sundry Debtors		35,09,186	-
Cash & Bank balances		4,94,24,173	1,642
Loans and advances		1,02,15,474	1,24,57,722
		<u>27,18,66,053</u>	<u>1,24,59,364</u>
Less : Current Liabilities and Provisions	7		
Current Liabilities		5,61,53,717	69,195
Provisions		34,51,989	-
		<u>5,96,05,706</u>	<u>69,195</u>
Net Current Assets		21,22,60,347	1,23,90,169
TOTAL		<u><u>21,47,12,374</u></u>	<u><u>1,26,91,554</u></u>
Significant Accounting Policies and Notes to Accounts	8		

As per our attached report of even date

For Nisar & Kumar
Chartered Accountants

K. M. Mahadik
Partner
Place: Mumbai
Date: September 5, 2011



For & on behalf of the Board

Manish Kedia
Director
Place: Mumbai
Date: September 5, 2011

N B Vyas
Director

Arun Ranga
Company Secretary

FRONTIER LEASING & FINANCE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	For the year ended March 31, 2011 Rupees	For the year ended March 31, 2010 Rupees
INCOME		
Finance Charges on Hire Purchase	1,12,76,932	-
Profit on Sale of Investments	1,70,236	-
Interest income (Tax deducted at source Rs. 61,755 P.Y. Nil)	7,34,895	-
Balances no longer payable written back (net)	1,441	-
Total	1,21,83,504	-
EXPENDITURE		
Office and Other Expenses	40,827	-
Listing & Custodial Fees	31,915	25,350
Professional Fees	5,76,067	2,04,907
Printing & Stationary	36,063	-
Postage & Communication expenses	2,53,890	-
Donations	2,15,000	-
Travelling and conveyance expenses	6,94,389	-
Business Promotion / AGM expenses	3,79,476	-
Advertisement Expenses	1,46,226	30,802
Auditors' Remuneration		
Audit Fees	88,240	11,030
Tax audit fees	22,060	-
Repairs & Maintenance Expenses	5,58,584	-
Insurance Expenses	10,882	-
Bank charges	7,788	13,639
Investments written off	2,499	-
Fixed Assets written off	11,360	-
Provisions for Non-performing assets	10,929	-
Depreciation / amortisation	5,05,423	2,263
Total	35,91,618	2,87,991
Profit before tax	85,91,886	(2,87,991)
Provision for taxation	(31,10,000)	-
Deferred Tax credit	(2,92,509)	30,288
Profit after tax	51,89,377	(2,57,703)
Proposed Dividend	(2,45,000)	-
Corporate Dividend Tax	(39,745)	-
Transfer to Statutory Reserve	(10,37,875)	-
Balance brought forward from previous year	20,16,904	22,74,607
Balance carried to balance sheet	58,83,661	20,16,904
Basic & Diluted Earning per share of Rs.10 each	21.18	(1.05)

Significant accounting policies and notes to accounts
(Refer Schedule 8)

As per our attached report of even date

For Nisar & Kumar
Chartered Accountants

For & on behalf of the Board

K. M. Mahadik

Partner
Place: Mumbai

Date: September 5, 2011



[Signature]

Manish Kedia
Director

Place: Mumbai
Date: September 5, 2011

[Signature]
N B Vyas
Director

[Signature]

Arun Ranga

Company Secretary

FRONTIER LEASING & FINANCE LIMITED
Schedules forming part of the Balance Sheet as at March 31, 2011

	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
Schedule 1		
Share Capital		
Authorised 250,000 (P.Y. 250,000) Equity Shares of Rs. 10 each	<u>2,500,000</u>	<u>2,500,000</u>
Issued, Subscribed and Paid-up 245,000 (P.Y. 245,000) Equity Shares of Rs. 10 each fully paid up (Out of these 176,610 equity shares are held by Essar Capital Finance Pvt. Ltd, the holding company)	2,450,000	2,450,000
Total	<u>2,450,000</u>	<u>2,450,000</u>
Schedule 2		
Reserves and Surplus		
Profit and Loss Account	5,883,661	2,016,904
General Reserve	1,185,650	1,185,650
Statutory Reserve	1,485,875	448,000
Total	<u>8,555,186</u>	<u>3,650,554</u>
Schedule 3		
Unsecured Loans		
Loan / Advance against issue of debentures from a company (outstanding)	3,314,500	5,000,000
Loan from others	-	1,591,000
Total	<u>3,314,500</u>	<u>6,591,000</u>



FRONTIER LEASING & FINANCE LIMITED

Schedules forming part of the Balance Sheet as at March 31, 2011

SCHEDULE 4
FIXED ASSETS

Description of Assets	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at April 1, 2010	Additions / capitalised during the year	Deletions / adjustments	As At March 31, 2011	As at April 1, 2010	For the year	Withdrawn during the year	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<u>Tangible Assets</u>										
Furniture & Fixtures	1,322	-	1,322	-	1,299	2	1,301	-	-	23
Office Equipments	64,170	-	64,170	-	63,569	97	63,666	-	-	601
Computers	-	50,000	-	50,000	-	11,667	-	11,667	38,333	-
Vehicles	-	14,00,000	-	14,00,000	-	2,11,435	-	2,11,435	11,88,565	-
Plant and Machinery	5,59,040	-	5,59,040	-	5,47,544	661	5,48,205	-	-	11,496
<u>Intangible Assets</u>										
Goodwill	-	12,06,690	-	12,06,690	-	2,81,561	-	2,81,561	9,25,129	-
TOTAL	6,24,532	26,56,690	6,24,532	26,56,690	6,12,412	5,05,423	6,13,172	5,04,663	21,52,027	12,120
Previous Year	6,24,532	-	-	6,24,532	6,10,149	2,263	-	6,12,412	12,120	



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FRONTIER LEASING & FINANCE LIMITED

Schedules forming part of the Balance Sheet as at March 31, 2011

	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
Schedule 5		
Investments		
(Unquoted)		
<u>Long Term Investments (Non -Trade, At cost)</u>		
<u>a) Shares</u>		
NIL (P.Y. 200) Fully paid up equity shares of Ring Plus (Acqua Bearing Ltd) of Rs.10 each	-	2,000
NIL (P.Y. 50) Fully Paid up Equity Shares of Ushal Microprocess Ltd of Rs.10 each	-	499
<u>b) Government Securities</u>		
6.85% GOI Bonds 2012	3,00,000	-
Total	3,00,000	2,499
Schedule 6		
Current Assets, Loans and Advances		
Current Assets		
Stock on hire purchase	20,87,17,220	-
<u>Sundry Debtors (Unsecured, Considered Good)</u>		
Debts outstanding for period exceeding six months	22,81,266	-
Other debts	12,27,920	-
(Note: The debtors are towards Hire purchase transactions)	35,09,186	-
<u>Cash & Bank balances</u>		
Cash on hand	-	413
Balances with Scheduled Banks in current account	4,94,24,173	1,229
	4,94,24,173	1,642
<u>Loans and advances (Unsecured, considered good)</u>		
Advance recoverable in cash or kind or for value to be received	1,01,84,046	1,24,37,055
Tax Deducted at source	18,667	18,667
Prepaid expenses	12,761	-
Deposits	-	2,000
	1,02,15,474	1,24,57,722
Total	27,18,66,053	1,24,59,364
Schedule 7		
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors (Other than micro, small and medium enterprises)	1,97,858	-
Unmatured finance charges	3,15,20,630	-
Advances from customers	1,86,189	-
Other Liabilities	2,42,49,040	69,195
	5,61,53,717	69,195
Provisions		
Provision for Non Performing Assets	1,86,517	-
Proposed Dividend (including corporate dividend tax)	2,84,745	-
Provision for Taxation (Net of taxes paid)	29,80,727	-
	34,51,989	-
Total	5,96,05,706	69,195

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FRONTIER LEASING & FINANCE LIMITED
SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011
SCHEDULE 8
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES :

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

(i) Basis of Accounting :

The financial statements are prepared in accordance with the historical cost convention.

(ii) Investments :

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

(iii) Fixed Assets:

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

(iv) Depreciation / Amortisation:

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

(v) Revenue Recognition :

In respect of Finance Charges on Hire Purchase agreements, Income is accounted by applying implicit rate of return in the transaction on the declining balance of the amount financed for the period of the agreement. No income is recognised in respect of non-performing assets as specified in the directions issued by the Reserve Bank of India in terms of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Income interest is recognised on time accrual basis.

(vi) Taxation:

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

(vii) Provisions and Contingent Liabilities:

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

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company, unless likelihood of an outflow of resources is remote. Contingent assets are not recognised in the accounts, unless there is virtual certainty as to its realisation.

II. NOTES TO THE ACCOUNTS :

1) There are no amounts for which the company is contingently liable.

2) Earning per Share:

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

Particulars	March 31, 2011	March 31, 2010
Earnings [Net profit for the year after tax (Rs.)]	51,89,377	(2,57,703)
Weighted average number of equity shares for the purpose of calculating earnings per share	2,45,000	2,45,000
Basic & Diluted Earnings per share of face value of Rs.10 each (Rs.)	21.18	(1.05)



FRONTIER LEASING & FINANCE LIMITED
SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011
SCHEDULE 8
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

3) Related Party Disclosures :

a) Related parties where control exists:

i. Holding Companies:

Essar Capital Finance Pvt. Ltd

ii. Individual owning indirectly an interest in the voting power that gives control:

Mr. A S Ruia

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

Enterprises controlled or significantly influenced by individual or relatives:

Essar Projects (India) Ltd, Essar Investments Ltd, Imperial Consultants & Securities Private Ltd, India Securities Ltd, Futura Travels Ltd, Essar Logistics Ltd

c) Transactions with related parties are summarised as under:

Particulars	Holding Company	Enterprises controlled or significantly influenced by individual or relatives	Total March 31, 2011
	Rs.	Rs.	Rs.
<u>Advance received against issue of preference shares</u> (Essar Capital Finance Pvt. Ltd)	200,386,945		200,386,945
<u>Advance received against issue of debentures</u> (Imperial Consultants & Securities Private Ltd)		3,314,500	3,314,500
<u>Purchase of Undertaking</u> (India Securities Ltd)		485,000,000	485,000,000
<u>Subscription to Investments</u> (Imperial Consultants & Securities Pvt Ltd)		9,149,000	9,149,000
<u>Sale of Investments</u> (Essar Capital Finance Pvt Ltd)	9,149,000		9,149,000
<u>Advances Given</u> India Securities Ltd Essar Investments Limited		184,046 161,498 22,548	184,046
<u>Refund of advances received</u> (Imperial Consultants & Securities Private Ltd)		5,000,000	5,000,000
<u>Purchase of Assets for Hire Purchase</u> (Essar Projects (India) Limited)		36,843,700	36,843,700
<u>Travelling Expenses</u> (Futura Travels Ltd)		240,450	240,450
<u>Interest Income</u> (Imperial Consultants & Securities Private Ltd)		617,559	617,559
d) Balances outstanding at the end of the year:			
Debit balances	-	38,755,859	38,755,859
Credit balances	200,386,945	30,932,485	30,932,485

Note:

The names of the related parties are disclosed under each nature of transaction where the transaction with single party is 10% or more of relevant nature of transactions.



FRONTIER LEASING & FINANCE LIMITED
SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011
SCHEDULE 8
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

- 4) The company has single business segments of Hire Purchase Finance Activities and Geographical location in India.
- 5) The deferred tax liability / (assets) of Rs.5,743 [P.Y. (Rs.286,766)] represents timing difference on account of depreciation.

6) During the year the company has acquired and sold the following investments:

Scrip	Cost (Rs.)
Units of LIC Mutual Fund	52,00,910
9% Non convertible debentures of Imperial Consultants & Securities Pvt Ltd	91,49,000

7) During the year the company has acquired "Finance Division" from India Securities Limited on going concern / slump sale basis for Rs.48.50 Crores.

8) Provision for non-performing assets is against balances receivable from debtors.

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

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

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

Category	Rs.
	March 31, 2011
	Unsecured
1. Related Parties	
(a) Subsidiaries	-
(b) Companies in the same group	2,85,71,813
(c) Other related parties	-
2. Other than related parties	18,36,54,594
TOTAL	21,22,26,406

c. All investments as at the end of the year are in government securities i.e. other than related parties.

d. Other Information:

Particulars	Rs.
	March 31, 2011
1. Gross Non - Performing Assets	
(a) Related parties	-
(b) Other than related parties	17,75,775
2. Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	15,89,258
3. Assets acquired in satisfaction of debt	-

10) Previous year figures have been rearranged / regrouped wherever necessary.

As per our attached report of even date

For Nisar & Kumar
Chartered Accountants

Mahaadik
K. M. Mahadik
Partner
Place: Mumbai
Date: September 5, 2011



Manish Kedia

Manish Kedia
Director
Place: Mumbai
Date: September 5, 2011

N B Vyas
N B Vyas
Director

Arun Ranga

Arun Ranga
Company Secretary

FRONTIER LEASING & FINANCE LIMITED
Cash Flow Statement for the year ended March 31, 2011

Particulars	For the year ended March 31, 2011 Rupees	For the year ended March 31, 2010 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	8,591,886	(287,991)
Adjustments for :		
Profit on sale of Investments	(170,236)	-
Fixed Assets Written off	11,360	-
Provision for non performing assets	10,929	-
Advances written off	(1,441)	-
Investments written off	2,499	-
Depreciation / amortisation	505,423	2,264
Interest income	(734,895)	-
	8,215,525	(285,727)
Operating Profit before working Capital Changes		
Adjustment for :		
(Increase)/Decrease in Stock on Hire Purchase	(208,717,220)	-
(Increase)/Decrease in Receivables	(1,265,497)	(6,305,079)
Increase/(Decrease) in Payables	38,953,510	(74,801)
Cash generated from operations	(162,813,682)	(6,665,607)
Taxes on income paid	(129,273)	-
Net Cash Flow From Operational Activities	(162,942,955)	(6,665,607)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	734,895	-
Proceeds from sale / redemption of Investments	14,520,146	-
Net Cash Flow From Investing Activities	15,255,041	-
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,723,500	6,591,000
Repayment of borrowings	(5,000,000)	-
Advance received against issue of preference shares	200,386,945	-
Net Cash Flow From Financing Activities	197,110,445	6,591,000
Net increase / (decrease) in cash and cash equivalents	49,422,531	(74,607)
Cash and Cash equivalents at the beginning of the year	1,642	76,249
Cash and Cash equivalents at the end of the year	49,424,173	1,642

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

As per our attached report of even date

For Nisar & Kumar
Chartered Accountants

For and on behalf of Board



Mahadik
K. M. Mahadik
Partner
Place: Mumbai
Date: September 5, 2011

Manish Kedia
Director
Place: Mumbai
Date: September 5, 2011

N B Vyas
Director

Arun Ranga
Company Secretary

FRONTIER LEASING & FINANCE LIMITED

STATEMENT PURSUANT TO PART - IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

Balance Sheet Abstract and company's General Business Profile

I. REGISTRATION DETAILS

Registration No. State Code
 Balance Sheet Date

II. CAPITAL RAISED DURING THE YEAR (RUPEES)

Public Issue Rights Issue
 Bonus Shares Private Placement

III. POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS. (RUPEES)

Total Liabilities Total Assets

SOURCES OF FUNDS

Paid-up-Capital (including preference capital) Reserves & Surplus
 Secured Loans Unsecured Loans
 Deferred Tax Liability

APPLICATION OF FUNDS

Net Fixed Assets Investments
 Accumulated Losses Misc. Expenditure
 Net Current Assets

IV. PERFORMANCE OF THE COMPANY (RUPEES)

Turnover Total Expenditure
 Profit/(Loss) Before Tax Profit/(Loss) After Tax
 Earning Per Share Dividend Rate (%)

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY -

HIRE PURCHASE FINANCING

For and on behalf of the Board



Manish Kedia
Director



N. B. Vyas
Director



Arun Ranga
Company Secretary

Place: Mumbai
Date: September 5, 2011

Frontier Leasing & Finance Limited

REGD. OFFICE: ESSAR HOSUE, 11 K. K. MARG, MAHALAXMI, MUMBAI- 400 034

ATTENDANCE SLIP

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

I hereby record my presence at the Twenty Seventh ANNUAL GENERAL MEETING of the Company at Essar House, 11 K. K. Marg, Mahalaxmi, Mumbai- 400 034 on Friday, 30th September, 2011 at 10.00 a.m.

NAME OF THE MEMBER ATTENDING MEETING (IN BLOCK LETTERS)

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

SIGNATURE OF THE MEMBER / PROXY

Member's Folio Number / Client ID and DP ID

No. of Shares

(TEAR HERE)

Frontier Leasing & Finance Limited

REGD. OFFICE: ESSAR HOSUE, 11 K. K. MARG, MAHALAXMI, MUMBAI- 400 034

PROXY FORM

Folio No. _____
Client ID No. _____

No. of Shares held _____
DP ID No. _____

I / We _____ of _____ being member / members of Frontier Leasing and Finance Limited, hereby appoint _____ of _____ or failing him _____ of _____ as my / our proxy to attend and vote for me / our behalf at the Twenty Seventh ANNUAL GENERAL MEETING of the Company to be held on Friday, 30th September, 2011 at 10.00 a.m. at Essar House, 11 K. K. Marg, Mahalaxmi, Mumbai- 400 034 and at any adjournment thereof.

Signed this ____ day of _____ 2011

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

AFFIX 1
RUPEE
REVENUE
STAMP

SIGNATURE

Frontier Leasing & Finance Limited

REGD. OFFICE: ESSAR HOSUE, 11 K. K. MARG, MAHALAXMI, MUMBAI- 400 034

E MAIL REGISTRATION

To
M/s Sharex Dynamic (India) Pvt. Ltd
17/B Dena Bank Building
2nd Floor, Horniman Circle,
Fort, Mumbai- 400 021

Dear Sir/s,

Re: Registration of e mail ID for receiving communication in electronic form

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

Folio No.* :

Name of 1st Registered Holders* :

Name of Joint Holder(s) :

Address :

Pin Code :

E-mail ID (to be registered)* :

Contact Tel Nos.

Mobile

Landline

Date

Signature of first holder*

Important Notes:

1. Field marked* are mandatory for registration of the e-mail ID.
2. On registration, all the communications will be sent to the e-mail ID registered in the folio
3. The form is also available on the website of the Company www.essar.com
4. Any change in email ID, from time to time, may please be registered in the records of the Company.