

18th

**ANNUAL
REPORT**

2011-2012



FRONTLINE
SECURITIES LIMITED

CORPORATE INFORMATION

Board of Directors	Mr. Rakesh K. Jain, Chairman Dr. C.S. Bedi Mr. Atul K. Jain Mr. Arun K. Jain Mr. Baljit Singh Bedi Mrs. Sarabjeet Kaur
Company Secretary	Mrs. Sarabjeet Kaur
Auditors	J. Jain & Company Chartered Accountants 202-H, Paras Bazar, Gali Ghante Wali Chandni Chowk, Delhi-110006
Registrar & Transfer Agent	Link Intime India Private Limited A-40, 2nd Floor Naraina Industrial Area Phase-II New Delhi-110028
Bankers	HDFC Bank, New Delhi
Registered Office	M-6, M-Block Market Greater Kailash-II, New Delhi - 110 048
Branch Office	B-22, Sector-4 Noida-201301
Website	www.fslindia.com

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NOTICE OF AGM

Notice is hereby given that the Eighteenth Annual General Meeting of the Company will be held on Monday, July 16, 2012 at 9.45 a.m. at Air Force Auditorium, Subroto Park, New Delhi to transact the following business: -

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and Profit and Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
- 2) To declare dividend on the equity shares for the financial year ended March 31, 2012.
- 3) To appoint a Director in place of Mr. Rakesh K. Jain, who retires by rotation, and being eligible offers himself for reappointment.
- 4) To appoint a Director in place of Mr. Atul K. Jain, who retires by rotation, and being eligible offers himself for reappointment.
- 5) To appoint M/s J. Jain & Company, Chartered Accountants (ICAI Regn No. 83450) as the Statutory Auditors of the Company to hold office from the conclusion of this 18th Annual General Meeting until the conclusion of the 19th Annual General Meeting of the Company and to authorize the Board of Directors to fix the remuneration of Auditors.

By order of the Board
For **FRONTLINE SECURITIES LIMITED**

Place : Noida
Date : May 30, 2012

Sarabjeet Kaur
Whole-Time Director & Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
2. Corporate members intending to send their authorised representative to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at their meeting.
3. At the ensuing Annual General Meeting, Mr. Rakesh K. Jain and Mr. Atul K. Jain retire by rotation and being eligible offer themselves for reappointment. The information or details to be provided in terms of Clause 49 of the Listing Agreement is provided in the Report on Corporate Governance available elsewhere in this Report. The Board of Directors of the Company commends the said appointments.
4. M/s Link Intime India Private Limited, A-40, 2nd Floor, Naraina Industrial Area, Phase-II, New Delhi-110028 is the Registrar and Share Transfer Agent for physical shares of the Company. Intime is also the depository interface of the Company with both NSDL and CDSL.
5. Members holding shares in physical form are requested to immediately notify change in their address, if any, to the Company at its Registered Office, quoting their Folio Number(s). Members holding shares in electronic form may update such details with their respective Depository Participant(s).
6. The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, July 10, 2012**, to **Monday, July 16, 2012**, (both days inclusive).
7. Dividend on equity shares @7.5% on the paid-up equity share capital i.e. Rs. 0.75 per equity share as recommended by the Board of Directors, if declared by the shareholders at the 18th Annual General Meeting, will be paid to those shareholders whose names appear on the Register of Members of the Company as on July 10, 2012 and also to the Beneficial Owners of equity shares held in electronic form as per the details furnished by the Depositories for this purpose as on the close of business hours on July 09, 2012.

8. Members / proxies should bring the attendance slips duly filled in and signed for attending the meeting.
9. All material documents relating to the matters proposed in the Notice, Memorandum and Articles of Association of the Company etc are open for inspection to the members till the date of the Annual General Meeting from 11 a.m. till 1 p.m. on all working days at the registered office of the Company.
10. The Company has transferred unclaimed amounts of dividends paid upto March 31, 2000 to the General Revenue Account / Investor Education and Protection Fund of the Central Government as required under Sections 205A and 205C of the Companies Act, 1956. Further, the Company has initiated the process of transfer of unclaimed dividend pertaining to the financial year 2004-2005 to the Investor Education and Protection Fund.

Members are therefore requested to encash their dividend warrants immediately for subsequent financial years. Members are requested to write to the Company and/ or Registrar and Share Transfer Agents, if any dividend warrant is due and pending to be paid so that fresh/revalidated warrants could be issued by the company.

11. Payment of Dividend through ECS:

The Securities & Exchange Board of India (SEBI) and the Ministry of Corporate Affairs have made it mandatory for all the Listed Companies to offer Electronic Clearing Services (ECS) facilities for payment of dividend, wherever applicable. In view of the above:

- a. Shareholders holding shares in physical form are advised to submit particulars of their bank account in the ECS Mandate Form, annexed to this report latest by Monday, July 09, 2012, to the Company Secretary at M-6, M-Block Market Greater Kailash-II, New Delhi-110048 or M/s Link Intime India private Limited at A-40, 2nd Floor, Naraina Industrial Area, Phase-II, New Delhi-110028.
 - b. Shareholders holding shares in demat form are advised to inform the particulars of their bank account to their respective depository participants.
12. Members who hold shares in physical form may nominate a person in respect of all shares held by them whether singly or jointly. Members who hold shares singly are advised to avail of the nomination facility by filing Form 2B in their

own interest. Blank forms will be provided by the Company on request. Members holding shares in demat form may contact their respective Depository Participants for recording of nomination.

13. To provide speedy redressal of investor grievances the Company has designated an e-mail ID viz., investor@fsltechnologies.com exclusively for registering complaints/grievances by investors.
14. Any queries relating to Accounts must be sent to the company at least 10 days before the date of the Annual General Meeting.
15. For effective communication, shareholders are requested to update their details as to address and e-mail ID. For shareholders holding shares in physical form, the same may be provided in '**Shareholder Information Form**' provided in the Annual Report. Shareholders holding shares in demat form are requested to update the same with their Depository Participant(s).

By order of the Board
For **FRONTLINE SECURITIES LIMITED**

Place : Noida
Date : May 30, 2012

Sarabjeet Kaur
Whole-Time Director & Company Secretary

DIRECTOR'S REPORT

Dear Shareholders,

The Directors take pleasure in presenting their Eighteenth Annual Report and Audited Accounts for the year ended March 31, 2012.

FINANCIAL RESULTS

The financial performance of the Company, for the year ended March 31, 2012 is summarized below:

(Rs. in Lakhs)

	2011-2012	2010-2011
Profit before Depreciation and Amortization Expenses, Finance Costs and Tax Expenses	413.77	436.45
Less: Finance Costs	0.09	0.19
Depreciation & amortization expenses	4.08	3.78
Profit before tax	409.60	432.47
Less: Current Tax	98.11	82.64
Deferred Tax	(9.93)	(4.08)
MAT Credit	-	(6.31)
STT Charges	2.45	3.29
Profit for the year	318.97	356.94
Add: Balance in Profit & Loss Account	1498.94	1300.40
	1817.90	1657.34
Less: Appropriation:		
Transferred to RBI Reserve	63.79	70.90
Proposed Dividend	71.29	71.29
Proposed Dividend Tax	11.56	11.84

Contingency Provision against Standard Assets	1.01	2.45
Excess MAT credit of earlier year written off in current year	4.04	1.93
Closing Balance	1666.21	1498.94

PERFORMANCE OF THE COMPANY

During the year under review the Company has earned Profit before Tax of Rs. 409.60 lakhs and Profit after Tax of Rs. 318.97 lakhs.

FUTURE OUTLOOK

The year under review has seen depressed market environment mainly due to global factors. The company had been following conservative investment policy and consistent stress on fee based financial services business. Due to this, the company could maintain its performance. The market environment for the current year looks depressed but barring unforeseen circumstances, the company expects to maintain its performance in line with the past.

DIVIDEND

The Directors have recommended dividend @ 7.5% (i.e. Rs. 0.75 per equity share) for the financial year ended March 31, 2012.

LISTING OF EQUITY SHARES

The equity shares of the Company are listed on the following Stock Exchanges:

- i. Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001;
- ii. The Delhi Stock Exchange Limited, DSE House, 3/1 Asaf Ali Road, New Delhi-110002.

DIRECTORS

In terms of Article 97, Mr. Rakesh K. Jain and Mr. Atul K. Jain, Directors retire by rotation and being eligible offer themselves for reappointment at the ensuing Annual General Meeting. Brief resume of the Directors proposed to be reappointed, nature of their expertise in their specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se*, as stipulated under Clause 49 of the Listing Agreement are provided in the Report on Corporate Governance.

DIRECTOR'S RESPONSIBILITY STATEMENT

As stipulated in Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

1. in the preparation of the annual accounts for the financial year ended March 31, 2012, the applicable accounting standards have been followed along with proper explanations relating to material departures.
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 or loss of the company for the year under review.
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. the Directors have prepared the accounts for the financial year ended March 31, 2012 on a going concern basis.

CORPORATE GOVERNANCE

As per the applicable provisions of Clause 49 of the Listing Agreement with the Stock Exchange(s), a Management Discussion & Analysis, a Report on Corporate Governance together with the Auditor's certificate on the compliance of conditions of Corporate Governance form part of the Annual Report.

AUDIT COMMITTEE

The Audit Committee comprises of four Directors, namely, Mr. Baljit Singh Bedi, Dr. C. S. Bedi, Mr. Atul K. Jain, and Mr. Arun K. Jain. The Committee oversees the Company's financial reporting process and disclosure of its financial information, reviews the quarterly / half yearly / annual financial statements before they are submitted to the Board of Directors and performs such other functions as are prescribed to it by the terms of its reference.

AUDITORS

M/s. J. Jain & Company, Chartered Accountants, retire as auditors of the company at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office of the Auditors, if re-appointed.

M/s. J. Jain & Company has been duly subjected to Peer Review by the Institute of Chartered Accountants of India.

AUDITOR'S REPORT

The relevant Notes to the Accounts of the Company referred to in the Auditors Report are self- explanatory and therefore do not call for any further comments.

FIXED DEPOSIT

The Company has not accepted any public deposits during the year, within the meaning of Section 2 (i) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 1998.

PARTICULARS OF EMPLOYEES

No information as required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 and amendments thereto has been furnished as during the year no employee was in receipt of remuneration in excess of the prescribed limits.

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

Particulars under Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 on conservation of energy, technology absorption are not applicable to your Company.

Foreign Exchange Earnings: Nil (Previous year: Nil)

Foreign Exchange Outgo: Nil (Previous year: Nil)

ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks to the Company's esteemed Shareholders, Clients, Associates, Financial Institutions, Bankers, the Securities and Exchange Board of India, Bombay Stock Exchange Limited, Delhi Stock Exchange Association Limited, Reserve Bank of India and other Government Departments for their valuable contribution and support.

On behalf of the Board of Directors
for **FRONTLINE SECURITIES LIMITED**

Place : Noida
Date : May 30, 2012

Rakesh K. Jain
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure and Development

The year under review has seen depressed market conditions due to global factors. Indian economy also has given some negative signs compared to earlier year. However, the company continued to follow conservative investment policy besides stressing more on fee based business of wealth management and distribution of mutual funds.

2. Opportunities and threats

The growth of the Company is subject to opportunities and threats as are applicable to the industry from time to time.

3. Segment wise performance & outlook

During the year under review, the Company pursued its business of finance, investment and consultancy. The business generated revenue of Rs. 465.92 lacs. The Profit Before Tax was recorded at Rs. 409.60 lacs and after providing for Current Tax of Rs. 98.11 lacs, Deferred Tax of Rs. (9.93) lacs, and STT Charges of Rs. 2.45 lacs, the Profit after Tax was Rs. 318.97 lacs.

In the near future, the Company intends to continue to focus on its current business of investment, mutual fund distribution, management consultation and financial services.

4. Risk and Concerns

While risk is an inherent aspect of any business, the Company is conscious of the need to have an effective monitoring mechanism and has put in place appropriate measures for its mitigation including business portfolio risk, financial risk, legal risk and internal process risks.

5. Internal Control Systems

The company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These systems are designed to ensure that all the assets of the Company are safeguarded and protected against any loss and that all transactions are properly authorized, recorded and reported.

6. Financial Performance of the Company

(Rs. In Lakhs)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Revenue from operations	465.92	487.97
Expenses	56.32	55.50
Profit Before Tax	409.60	432.47
Tax Expense		
- Current Tax	98.11	82.64
- Deferred Income Tax	(9.93)	(4.08)
- Mat Credit	-	(6.31)
- STT Charges	2.45	3.29
Profit After Tax	318.97	356.94
Proposed Dividend	71.29	71.29

The details of financial performance of the Company are appearing in the Balance Sheet and Profit & Loss A/c for the year.

7. Human Resources

The Company seeks, respects and values the diverse qualities and background that its people bring to it and is committed to utilizing the richness of knowledge, ideas, experience that this diversity provides. The Company has built a resource base and cross- functional managers to take care of multi dimensional businesses.

8. Disclosures

During the year the Company has not entered into any transaction of material nature with its promoters, the Directors or the management, their subsidiaries or relatives etc that may have potential conflict with the interest of the Company at large.

All details of transactions covered under related party transactions are given in the Notes to Accounts (Note 2.22 of Financial Statements).

9. Cautionary Statement:

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied. Important factors that could make difference to the Company's operations include change in government regulations, tax regimes, economic developments within and without India.

On behalf of the Board of Directors
For **FRONTLINE SECURITIES LIMITED**

Place : Noida
Date : May 30, 2012

Sarabjeet Kaur
Whole-Time Director & Company Secretary

REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Corporate Governance

Good governance practices stem from the culture and mindset of the organization. Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in way which ensures accountability, transparency, fairness in all its transactions in the widest sense and meet its stakeholders aspirations and societal aspirations.

The Company emphasizes on good Corporate Governance and believes in maintaining highest standards of quality and ethical conduct in all activities of the Company.

2. Board Composition and Particulars of Directors

Board Composition

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Board consists of Executive and Non-Executive Directors. At present the strength of the Board is 6 Directors out of which 3 are Independent Directors. The composition of the Board and category of Directors are as follows:

Category	Name of Directors
Non-Executive & Promoter Director (Chairman)	Rakesh Kumar Jain
Non-Executive Director	Atul Kumar Jain
Non-Executive Independent Director	Arun Kumar Jain C.S. Bedi Baljit Singh Bedi
Whole Time Director	Sarabjeet Kaur

All the independent Directors of the Company furnish a declaration annually that they qualify the conditions of their being independent.

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956.

The shareholding of non-executive directors as on March 31, 2012 is as follows:

Name	No. of shares held
Rakesh K. Jain	930,910
Atul K. Jain	10
Arun K. Jain	210
Dr. C.S. Bedi	Nil
Baljit Singh Bedi	600
Total	931,730

Directors Retiring by Rotation

Details of Director retiring by rotation in terms of Clause 49 of the Listing Agreement is as follows:

Mr. Rakesh K. Jain, Promoter and Chief Mentor of Frontline Securities Limited, is a fellow member of the Institute of Chartered Accountants of India and possesses Masters Degree in commerce. Besides his professional capabilities, Mr. Rakesh K. Jain has to his credit, supplement to the Book titled, Mogha's Indian Conveyncer.

At present Mr. Rakesh K. Jain holds 1,405,910 shares in the Company. With his rich business acumen, vast entrepreneurial skills and expertise in Management & Financial Consultancy, Corporate structuring and Restructuring, Mr. Rakesh K. Jain has contributed extensively to the growth of the company.

Besides, Frontline Securities Limited, Mr. Rakesh K. Jain is on the Board of Hope Consultants Ltd., FSL Software Technologies Ltd., Frontline Capital Services Ltd., Wonder Buildtech Private Limited, Frontline Commodities & Derivatives Private Limited, Petal Consultants Private Limited, FSL Consultants Private Limited and FSL Education Services Private Limited. At present Mr. Rakesh K. Jain is not occupying any committee position.

Mr. Atul K. Jain, a Chartered Accountant by profession has been associated with the company since incorporation. With his extensive business contacts and experience,

Mr. Atul K. Jain has contributed significantly to the development of the company. Mr. Atul K. Jain has expertise in Capital Market, Equity Research, Company Law & Finance. At present Mr. Atul K. Jain holds 10 shares in the company.

Mr. Atul K. Jain is also a Director in Frontline Capital Services Ltd. and Frontline Commodities & Derivatives Private Limited. Mr. Atul K. Jain is a member of the 'Audit Committee' and 'Share Transfer & Investors Grievance Committee' of Frontline Securities Ltd.

3. Board Meetings and Board Committee Meetings

The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served. The Board meets at regular intervals. The details of Board Meetings held during the year under review are as follows:

Number of Board Meetings and dates on which held

During the year under review seven Board Meetings were held. The details of the Board Meeting are as under:

S. No.	Date of Board Meeting	Board Strength	Number of Directors Present
1.	April 12, 2011	6	6
2.	May 25, 2011	6	6
3.	May 28, 2011	6	6
4.	July 30, 2011	6	6
5.	August 06, 2011	6	5
6.	October 31, 2011	6	6
7.	January 31, 2012	6	6

Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and number of other Directorships and Memberships of Committee(s) of each Director in various companies are as follows:

S. No.	Name of Director	Attendance at Meetings during 2011-2012		No. of Other Directorships held (including private Companies) As on 31.03.2012	No. of Committee Memberships in all Companies
		Board Meetings	Last AGM		
1	Mr. Rakesh K. Jain	7	7	8	Nil
2	Mr. Atul K. Jain	7	7	2	2
3	Mr. Arun K. Jain	6	7	1	3
4	Dr. C S Bedi	7	7	2	2
5	Mrs. Sarabjeet Kaur	7	7	1	1
6	Mr. Baljit Singh Bedi	7	7	1	2

Board Committees:

a. Audit Committee of Directors (Audit Committee)

Composition

The Audit Committee comprises of 3 (three) Independent Directors and 1 (one) Non-executive Director. The Chairman is an Independent Director.

The powers and terms of reference of the Audit Committee are as mentioned in Clause 49 II (C), (D) & (E) of the Listing Agreement and section 292A of the Companies Act, 1956 which *inter alia*, include overseeing financial reporting processes, reviewing with the management the financial statements, accounting policies and practices, adequacy of internal audit functions and discussion with internal auditors on any significant findings, financial and risk management policies.

Meetings and attendance during the year are as follows:

The Audit Committee met four times during the Financial Year 2010-2011. The details of attendance at these meetings are as follows:

Name of Member	Attendance at the meeting held on			
	28.05.2011	30.07.2011	31.10.2011	31.01.2012
Mr. Atul K. Jain	Yes	Yes	Yes	Yes
Mr. Arun K. Jain	Yes	Yes	Yes	Yes
Dr. C.S. Bedi	Yes	Yes	Yes	Yes
Mr. Baljit Singh Bedi	Yes	Yes	Yes	Yes

The Minutes of the Audit Committee Meetings are noted at the Board meetings.

The Chairman of the Audit Committee was present at the 17th Annual General meeting held on September 05, 2011.

b. Share Transfer & Investor Grievance Committee

The Share Transfer & Investor Grievance Committee has been constituted to attend to requests of dematerialization of shares, rematerialisation of shares, share transfer and to redress investor's grievance/complaints and regular correspondence such as non-receipt of Balance Sheet, non-receipt of Dividend and entertains such other related matters. During the financial year ended March 31, 2012, forty-three (43) meetings of the Share Transfer & Investor Grievance Committee were held. The composition of the Committee and details of meetings held and attendance recorded of the members are as follows:

Name of Member	No. of Meetings held	Attendance
Atul K. Jain	43	43
Arun K. Jain	43	43
Sarabjeet Kaur	43	43

The meetings were presided over by Mr. Atul K. Jain, a Non-Executive Director.

Mrs. Sarabjeet Kaur, Director & Company Secretary is the Compliance Officer for complying with the requirements of Securities Laws and the Listing Agreements with the Stock Exchanges in India.

During the year under review the company has not received any complaint from investors/members and no investor complaint is pending as on March 31, 2012.

As on March 31, 2012, there is no pending request for share transfer, dematerialization or rematerialization of shares.

c. Remuneration Committee

The Remuneration Committee comprises of 3 (three) Non-Executive Independent Directors viz., Mr. Arun K. Jain, Dr. C.S. Bedi and Mr. Baljit Singh Bedi. The committee has been executed to recommend/review remuneration of Managing Director(s) and Whole-Time Director(s), based on their performance and defined assessment criteria. During the year under review one meeting of the Rural Committee was held wherein all members of the committee were present.

Remuneration Policy

At present no remuneration is being paid to the Non- Executive Directors.

The details of the remuneration paid to Mrs. Sarabjeet Kaur, Whole Time Director and Company Secretary during the year ending 31st March 2012 are as follows:

Amount paid during the financial year:	Rs. 447,871
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4. Code of Conduct

The Company has laid down a Code of Conduct for all the Board Members and Senior Management Personnel. All Board Members and Senior Management Personnel have confirmed compliance with the said code of conduct for the financial year ended March 31, 2012. The declaration to this effect signed by the Whole-Time Director forms part of the report.

5. CEO/CFO Certification

As required by Clause 49 (V) of the Listing Agreement, Whole Time Director's certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting is enclosed.

6. Details of General Body Meetings

1. The location and time for last three Annual General Meetings is as follows:

Year	Location	Date	Time	Whether any special resolution passed therein
2008-09	Air Force Auditorium Subroto Park New Delhi – 110 010	September 03, 2009	10.00 A.M.	No
2009-10	Air Force Auditorium Subroto Park New Delhi – 110 010	September 20, 2010	10.00 A.M.	No
2010-11	Air Force Auditorium Subroto Park New Delhi – 110 010	September 05, 2011	09.45 A.M.	No

2. No special resolution was passed through postal ballot at the last AGM.
3. No special resolution is proposed to be passed through postal ballot at the ensuing AGM.

7. Disclosures

1. The particulars of transactions between the Company and its related parties as per the Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) are disclosed in Note No. 2.21 of Notes to the Financial Statements. However, these transactions are not likely to have any conflict with the Company's interest.

2. No Strictures/Penalties have been imposed on the Company by the Stock Exchange or the Securities and Exchange Board of India (SEBI) or any statutory authority on any matters related to capital markets during the last three years.
3. In the preparation of the financial statements, the Company has followed the Accounting Standards issued by ICAI. The significant accounting policies, which are consistently applied, have been set out in the Notes to the Financial Statements.
4. The Company has complied with all the mandatory requirements of the revised Clause 49 of the Listing Agreement.

8. Means of Communication of Financial Results

The un-audited and the audited financial results are announced within the time frame stipulated under the Standard Listing Agreements with the Stock Exchanges. The aforesaid financial results are taken on record by the Board of Directors and are communicated to the Stock Exchanges where the company's securities are listed.

Once the Stock Exchange has been intimated, these results are published in newspapers, usually, English Newspaper: Financial Express and Hindi Newspaper: Jansatta.

9. General Member Information

i) The Details of Annual General Meeting to be held:

Date	July 16, 2012
Day	Monday
Time	9.45 A.M.
Venue	Air Force Auditorium, Subroto Park, New Delhi – 110010

ii) Financial Calendar 2012-2013

Results for the quarter ended June, 2012.	Will be announced on/ before 14 th August, 2012.
Results for the quarter ended September, 2012.	Will be announced on/ before 14 th November, 2012.
Results for the quarter ended December, 2012.	Will be announced on/ before 14 th February, 2013.
Results for the year ended 31st March, 2013	Will be announced on/ before 30 th May, 2013.

iii) Book Closure Dates:

July 10, 2012 (Tuesday)
to
July 16, 2012 (Monday)
[both days inclusive]

iv) Dividend Payment date : credit/despatch of dividend warrants
between July 17,2012 and July 27,2012

Shareholders who have opted for ECS, dividend will be credited directly to their respective bank accounts through ECS. For others, dividend warrants will be despatched as per the dividend payment date mentioned above.

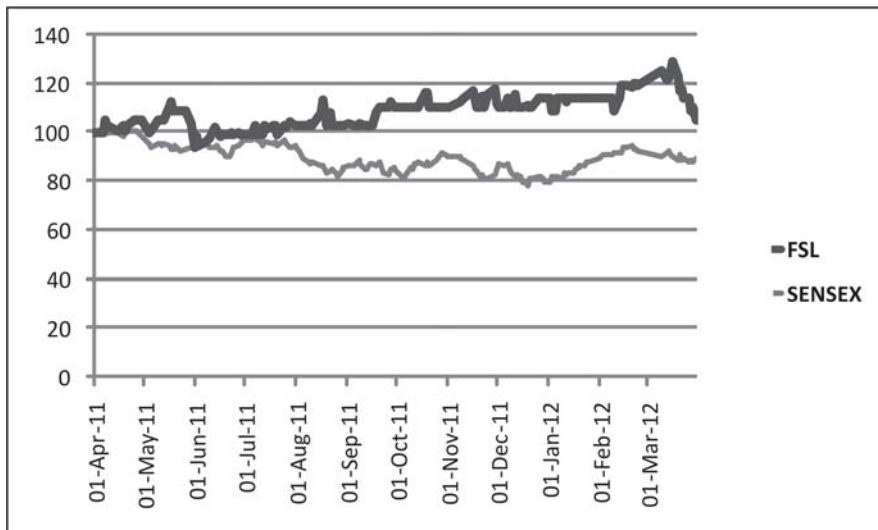
v) Other shareholder information

Listing on Stock exchange	The Equity shares of the Company are listed on the Delhi Stock Exchange and Bombay Stock Exchange. The listing fee has been paid to the Stock Exchanges.
Stock code	06040 (Delhi Stock Exchange) 533213 (Bombay Stock Exchange)

Stock Market Price Data

Month	Bombay Stock Exchange (BSE) (In Rs. per share)		Delhi Stock Exchange (DSE) (In Rs. per share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April-11	29.40	27.15	No Market Price Data for the year under review is available as there was no trading on the Delhi Stock Exchange Limited, during this year.	
May-11	31.35	26.65		
June-11	27.80	24.35		
July-11	28.25	27.00		
Aug-11	30.85	27.00		
Sept-11	31.50	28.00		
Oct-11	31.50	29.95		
Nov-11	32.55	30.00		
Dec-11	31.50	30.00		
Jan-12	31.00	29.60		
Feb-12	32.50	29.50		
March-12	35.00	28.05		

Performance in comparison to broad-based indices such as BSE SENSEX:



Comparison is done between the Share Price Daily closing and Sensex Index closing level

Registrar & Share Transfer Agents

M/s Link Intime India Private Limited
A-40, 2nd Floor, Naraina Industrial
Area, Phase-II, New Delhi-110 028
E-Mail: delhi@linkintime.co.in

Share Transfer System

The Share Transfers (pertaining to shares in Physical Mode) are registered and returned within the stipulated time, if documents are complete in all respects. In respect of the shares held in dematerialized mode, the transfer takes place instantaneously between the transferor, transferee and the Depository Participant through electronic debit/credit of the accounts involved.

vi) Distribution of Shareholding as on March 31, 2012 is as follows:

No. of Equity Shares held	Folios		Shares	
	Numbers	%	Numbers	%
Up to 250	3168	83.193	241583	2.542
251 - 500	374	9.821	141601	1.490
501 – 1000	143	3.755	121416	1.277
1001 – 2000	60	1.576	86151	0.906
2001 – 3000	10	0.263	26100	0.275
3001- 4000	5	0.131	18800	0.198
4001- 5000	3	0.079	14000	0.147
5001 – 10000	8	0.210	54364	0.572
10001& above	37	0.972	8800935	92.593
TOTAL	3808	100.000	9504950	100.000

vii) Shareholding Pattern as on March 31, 2012 is as follows:

S.No.	Category	No. of equity shares	% of shares
1.	Promoters	7,095,093	74.646
	Sub Total (A)	7,095,093	74.646
2.	Public Shareholding		
	• Bodies Corporate	716,114	7.534
	• Individuals	1,399,006	14.719
	• Others	294,737	3.101
	Sub Total (B)	2,409,857	25.354
	Grand Total (A)+(B)	9,504,950	100.00

viii) Dematerialization of shares and Liquidity

As on 31st March 2012, 9,087,073 shares aggregating to 95.60% of the paid up share capital are held in dematerialized mode.

ix) Outstanding GDRs/ADRs/Warrants

No GDR / ADR / Warrant or any convertible instrument has been issued by the Company.

x) Address for correspondence

The members may address their communication/ grievances/ queries to the Company/ Registrar and Share Transfer Agent at the following address:

Link Intime India Private Limited

A-40 2nd Floor
Naraina Industrial Area,
New Delhi-110028

Frontline Securities Ltd.

M-6, M-Block Market
Greater Kailash-II
New Delhi-110048

Members are requested to quote their folio number/DP ID & Client ID in all their correspondence with the Company/ RTA.

On behalf of the Board of Directors
For **FRONTLINE SECURITIES LIMITED**

Place: Noida
Date : May 30, 2012

Sarabjeet Kaur
Whole-Time Director & Company Secretary

Declaration by the Whole Time Director under Clause 49 of the Listing Agreement regarding compliance with Code of Conduct

In accordance with Clause 49 ID of the Listing Agreement, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with Code of Conduct, as applicable to them, for the Financial Year ended on March 31, 2012.

On behalf of the Board of Directors
For **FRONTLINE SECURITIES LIMITED**

Place: Noida
Date : May 30, 2012

Sarajeet Kaur
Whole-Time Director & Company Secretary

Certification by the Whole Time Director pursuant to Clause 49 of the Listing Agreement

I, Sarabjeet Kaur, certify that:

- a) I have reviewed the financial statements and the cash flow of Frontline Securities Limited ('the company') for the year ended March 31, 2012 and 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) There are, to the best of my 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.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. There are no deficiencies in the design or operation of internal control.
- d) I have indicated to the Auditors and the Audit Committee that there are no
 - i) significant changes in the internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year;
 - iii) instances of significant fraud of which I 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 over financial reporting.

On behalf of the Board of Directors
For **FRONTLINE SECURITIES LIMITED**

Place: Noida
Date : May 30, 2012

Sarabjeet Kaur
Whole-Time Director & Company Secretary

AUDITOR'S CERTIFICATE

To,
The Members of
Frontline Securities Limited
New Delhi

We have examined the compliance of conditions of Corporate Governance by Frontline Securities Limited for the year ended 31st March 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management:-

1. We certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.
2. We state that as per the records maintained by the Company, during the year, all Investor Grievance / correspondence received from members have been suitably addressed.
3. We further state, 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.

For J. JAIN & COMPANY
Chartered Accountants
Firm's Registration No. 004208N

Place: Noida
Date : 30.05.2012

(JAYANTI JAIN)
PROPRIETOR
M.No-83450

AUDITOR'S REPORT TO THE SHARE HOLDERS

1. We have audited the attached Balance Sheet of Frontline Securities Limited, as at 31st March 2012 and also the Profit and Loss Account for the year ended on that date annexed thereto and 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.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditor's Report) Order, 2003 and (Amendment) Order 2004, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matter specified in paragraph 4 and 5 of the said order to the extent applicable.
4. Further to our comments in the Annexure referred to above, we report that: -
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
 - (c) The balance sheet and profit and loss account dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion, the balance sheet and the profit and loss account dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.

- (e) On the basis of written representation received from Directors as on 31.3.2012, we report that none of the director is disqualified as on 31.3.2012 from being appointed as Director in term of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with notes to the financial statements for the year ended 31.03.2012 respectively give the information required by the Companies Act, 1956, in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of balance sheet, of the state of the company's affairs as at 31.3.2012;
 - (ii) in the case of the profit and loss account, of the profit of the company for the year ended on that date;
 - (iii) in the case of cash flow statement, of the cash flow for the year ended on that date.

For J. JAIN & COMPANY
Chartered Accountants
Firm's Registration No. 004208N

Place: Noida
Date : 30.05.2012

(JAYANTI JAIN)
PROPRIETOR
M.No-83450

ANNEXURES TO THE AUDITOR'S REPORT OF FRONTLINE SECURITIES LIMITED FOR THE YEAR ENDED 31.03.2012 [REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE]

- I.
 - a) The company has maintained adequate records showing full particulars including quantitative details and situation of fixed assets.
 - b) The Company has a regular program of physical verification of its Fixed Assets, which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No discrepancy has been noticed between the book records and the physical verification.
 - c) No substantial part of the fixed assets has been disposed off during the year, which has affected the going concern of the company.
- II. The nature of business of the Company is such that the provisions of Clause (ii) of para 4 of Companies (Auditor's Report) order 2003 is not applicable to the Company. Accordingly no comment has been made in respect of this point.
- III.
 - a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956, accordingly sub clause (b), (c) & (d) of clause III of para 4 of Companies (Auditor's Report) Order 2003 are not applicable.
 - b) The company has not taken any loan, secured or unsecured from company, firm or any other party required to be listed in the register maintained under section 301 of the Companies Act, 1956, accordingly provisions of clause iii(f) and iii(g) of para 4 of Companies (Auditor's Report) Order 2003 are not applicable.
- IV. 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 nature of business with regard to purchase of securities, fixed assets, sale of securities and services. The activities of the company do not involve purchase of inventory and sale of goods. In our opinion, and according to the information and explanations given to us, there is no continuing failure to correct major weakness in the internal control.
- V.
 - a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion, and according to information and explanations given to us, there are no such transactions which have been made at prices, which are not

reasonable having regard to the prevailing market prices for such goods, materials or services at the relevant time.

- VI. According to the information and explanations given to us, the company has complied with the direction issued by the Reserve Bank of India on Non-Banking Financial Companies. Further the Company has not accepted any deposit from the public.
- VII. In our opinion, the company has an adequate internal audit system commensurate with its size and nature of its business.
- VIII. The nature of business of the Company is such that the provisions of Section 209(1)(d) of the Companies Act 1956, regarding the maintenance of Cost Records is not applicable to the Company and accordingly, no comments have been made in respect of matters specified under Clause (viii) of para 4 of Companies (Auditor's Report) order 2003.
- IX. a) In our opinion and according to information and explanations given to us, the provisions of Custom Act, Excise Duty and Sales Tax are not applicable to the Company during the year and accordingly no comment has been made in respect of these dues. Further the company is regular in depositing other undisputed statutory dues including Provident Fund, Employee State Insurance, Investor Education & Protection Fund, Income Tax, Wealth Tax, Service Tax, Cess and any other statutory dues with the appropriate authority. There are no undisputed statutory dues payable in respect of Provident Fund, Employee State Insurance, Investor Education & Protection Fund, Income Tax, Wealth Tax, Service Tax, Cess and any other statutory dues, which are outstanding as at 31st March 2012 which were due for more than six months from the date they become payable.
- b) There are no statutory dues of Provident Fund, Employee State Insurance, Investor Education & Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise Duty, Cess and any other statutory dues which have not been deposited on account of any dispute.
- X. The Company has no accumulated losses as at 31st March 2012 and has not incurred cash loss during the current or previous financial year and accordingly no comment has been made in respect of matter specified under clause (x) of para 4 of Companies (Auditor's Report) order 2003.
- XI. The Company has not taken any amount from financial institution or bank or through debentures. Accordingly there is no question of default in repayment of these dues.
- XII. The company has not granted any loans or advances on the basis of securities by way of pledge of shares, debentures and other securities.

- XIII. The nature of business of the Company is such that the provisions of Clause (xiii) of para 4 of Companies (Auditor's Report) order 2003 is not applicable to the Company. Accordingly no comment has been made in respect of this point.
- XIV. In our opinion, proper records of the investment of the shares, securities and other investments have been maintained by the company and timely entries have been made therein. The investments are held by the company in its own name except to the extent of exemption granted under section 49 of Companies Act, 1956.
- XV. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others. Hence no comment has been made in respect of this point.
- XVI. The company has not obtained any term loan and accordingly no comment has been made in respect of matters specified under clause (xvi) of The Companies (Auditor's Report) order 2003.
- XVII The company has not raised funds on short-term basis and accordingly, no comment has been made in respect of matters specified under clause (xvii) of The Companies (Auditor's Report) order 2003.
- XVIII During the year, the company has not made any preferential allotment of shares to any party.
- XIX The company has not issued any debenture and accordingly there is no question of creation of any securities in respect of debentures issued.
- XX. The company has not raised any money by way of public issue during the year.
- XXI. Based on our audit procedure and according to information and explanations given to us, no fraud has been noticed or reported on or by the Company.

For J. JAIN & COMPANY
Chartered Accountants
Firm's Registration No. 004208N

Place: Noida
Date : 30.05.2012

(JAYANTI JAIN)
PROPRIETOR
M.No-83450

BALANCE SHEET AS AT 31ST MARCH 2012

(Amount in Rs.)

	Note No.	As At 31st March 2012	As At 31st March 2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2.1	95,049,500	95,049,500
(b) Reserves and Surplus	2.2	<u>251,936,856</u>	<u>228,829,722</u>
(2) Non-Current Liabilities			
(a) Long-term borrowings	2.3	22,500,000	-
(b) Deferred tax liabilities (Net)		-	373,893
(c) Long term provisions	2.4	345,300	244,707
(d) Other long term liabilities	2.5	<u>100,000</u>	<u>100,000</u>
(3) Current Liabilities			
(a) Trade payables	2.6	989,814	4,084,253
(b) Other current liabilities	2.7	1,216,601	445,291
(c) Short-term provisions	2.8	8,678,659	8,658,187
Total		<u>380,816,730</u>	<u>337,785,553</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	2.9	43,180,349	5,651,254
(b) Deferred tax Assets (Net)		618,760	-
(c) Non-current investments	2.10	123,205,392	119,916,439
(d) Long Term Loans and Advances	2.11	8,560,257	22,041,007
(e) Other non-current assets	2.12	<u>5,000,000</u>	<u>5,000,000</u>
(2) Current assets			
(a) Cash and cash equivalents	2.13	66,296,709	64,893,565
(b) Short-term loans and advances	2.14	132,438,695	79,699,725
(c) Current investments	2.15	-	37,344,870
(d) Other Current Assets	2.16	1,516,568	3,238,693
Total		<u>380,816,730</u>	<u>337,785,553</u>

Significant Accounting Policy & Notes to Accounts 1 & 2

FOR AND ON BEHALF OF THE BOARD

"AS PER OUR REPORT ATTACHED OF EVEN DATE"

For J. JAIN & COMPANY

Chartered Accountants

Firm's Registration Number : 004208N

(RAKESH K. JAIN)
Director(ATUL K. JAIN)
Director(JAYANTI JAIN)
Proprietor
M.No. 83450(SARABJEET KAUR)
Director & Company SecretaryPlace : Noida
Dated : 30-05-2012

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

(Amount in Rs.)

	Note No.	For the Year Ended 31st March 2012	For the Year Ended 31st March 2011
I. Revenue:			
Revenue from operations	2.17	46,591,891	48,796,987
Total Revenue		<u>46,591,891</u>	<u>48,796,987</u>
II. Expenses:			
a). Employee benefit expense	2.18	2,838,094	2,691,979
b). Financial costs	2.19	8,523	19,080
c). Administrative & Other Expenses	2.20	2,377,170	2,460,106
d). Depreciation and amortization expense	2.9	408,130	378,404
Total Expenses		<u>5,631,917</u>	<u>5,549,569</u>
III. Profit before tax	(I - II)	40,959,974	43,247,418
IV. Tax expense			
(1) Current tax		9,810,860	8,263,839
(2) Deferred tax		(992,653)	(407,530)
(3) MAT Credit		-	(631,201)
(4) STT Charges		245,136	328,620
V. Profit for the year		<u>31,896,631</u>	<u>35,693,690</u>
VI. Earning per equity share:			
Basic and diluted		3.36	3.76
Weighted average number of equity shares		9,504,950	9,504,950
Face value per equity share (Rs.)		10	10

FOR AND ON BEHALF OF THE BOARD

"AS PER OUR REPORT ATTACHED OF EVEN DATE"

For J. JAIN & COMPANY

Chartered Accountants

Firm's Registration Number : 004208N

(RAKESH K. JAIN)
Director(ATUL K. JAIN)
Director(JAYANTI JAIN)
Proprietor
M.No. 83450(SARABJEET KAUR)
Director & Company SecretaryPlace : Noida
Dated : 30-05-2012

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
A. Cash Flow from Operating Activities		
Net Profit Before Taxation	40,959,974	43,247,418
Adjustments for Profit & Loss Account		
Depreciation	408,130	378,404
Interest Income	(17,985,766)	(12,962,382)
Dividend Income	(1,968,541)	(1,585,472)
Profit on Sale of Investements (Net)	(10,236,652)	(19,624,517)
Sundry balances written off	107,885	36,545
Sundry balances written back	(294)	-
Non cash income	(34,933)	-
Loss / (Gain) on Sale of Fixed Assets	102,621	244,122
	(29,607,550)	(33,513,300)
Operating Profit before working capital changes	11,352,424	9,734,118
Adjustments for Working Capital		
Trade Payables	(3,094,439)	(1,175,905)
Increase/ (Decrease) in Other current liabilities	771,310	1,519,424
Increase/ (Decrease) in Short term provisions	48,096	911,121
(Increase)/Decrease in Short term loans & advances	(52,738,970)	49,798,928
(Increase)/ Decrease in Other current assets	369,109	(1,367,785)
Cash Generated from Operations	(54,644,894)	49,685,783
Advance Tax/ TDS Paid	(9,347,924)	(8,718,138)
Net Cash From Operating Activities	(52,640,393)	50,701,763
B. Cash Flow from Investing Activities		
(Purchase) / Sale of Fixed Assets [Net]	(38,039,845)	(661,054)
(Purchase) of Investments	(345,219,908)	(416,881,918)
Sale of investments	389,512,471	416,719,717
Long Term Loans and Advances	13,480,750	(3,421,357)

Interest Income	17,985,766	12,962,383
Dividend Income	<u>1,968,541</u>	<u>1,585,472</u>
Net Cash Used in Investing Activities	39,687,775	10,303,243
C.Cash Flow from Financing Activites		
Dividends paid (including unclaimed)	(6,960,159)	(4,634,225)
Dividend Distribution Tax	(1,184,079)	(807,684)
Long Term Borrowings	<u>22,500,000</u>	<u> </u>
Net Cash Used in Financing Activities	14,355,762	(5,441,909)
Net Cash Used	1,403,144	55,563,097
Cash and Cash Equivalents at the beginning of the Yr.	64,893,565	9,330,468
Cash and Cash Equivalents at the end of the Yr.	66,296,709	64,893,565

FOR AND ON BEHALF OF THE BOARD

“AS PER OUR REPORT ATTACHED OF EVEN DATE”
 For J. JAIN & COMPANY
 Chartered Accountants
 Firm's Registration Number : 004208N

(RAKESH K. JAIN)
 Director

(ATUL K. JAIN)
 Director

(JAYANTI JAIN)
 Proprietor
 M.No. 83450

(SARABJEET KAUR)
 Director & Company Secretary

Place : Noida
 Dated : 30-05-2012

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

CORPORATE INFORMATION

Frontline Securities Limited provides a wide range of financial consultancy services including Mutual Fund Distribution and other financial products distribution services. Company also does investments in various financial products. The Company's full service portfolio consists of financial product distribution, providing financial consultancy to corporates & individuals and investment in various financial products.

The Company's registered office is in Delhi and also provides services from the corporate office situated at Noida.

1. ACCOUNTING POLICIES

1.1 Method of Accounting

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting and accounting principals generally accepted in India and comply with the Accounting Standards prescribed in the Companies (Accounting Standard) Rules, 2006 issue by the Central Government in consultation with the National Advisory Committee on Accounting Standard and in accordance with the relevant provisions of the Companies Act, 1956, to the extent applicable.

1.2 Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principals ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual result could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

1.3 Fixed Assets

Fixed Assets are accounted for in the books at cost including incidental charges.

1.4 Depreciation

- (i) Depreciation is provided at the rates prescribed in schedule-XIV to the Companies Act, 1956 on straight-line method.

- (ii) Depreciation on addition/deletion to the fixed assets is provided from/to the date of addition/deletion of fixed assets.

1.5 Valuation of the investments

The long-term investments are valued at cost. However, if there is any decline in the value of investment, other than temporary, the carrying amount of investment is reduced for recognising the decline in value for each such investment.

1.6 Valuation of stock of securities

Stock of securities has been valued at lower of cost and market price. However, the company has no inventory during the year or at the end of the year.

1.7 Revenue Recognition

Profit or losses from dealing in securities reflects the net profit / loss on sale and purchase of securities. Brokerage, interest and commission income is being recorded on accrual basis.

1.8 Translation of Foreign Currency

Transactions in foreign currency are recorded by applying the exchange rate at the date of transaction. Monetary items denominated in the foreign currency remaining unsettled at the end of the year, are translated at the closing rate prevailing on the date of balance sheet. Gain/loss arising out of fluctuation on realisation, payment or restatement, except those identifiable to the acquisition of fixed assets is charged/credited to profit & loss account.

1.9 Income Tax

Income Tax expenses are accrued in accordance with Accounting Standard-22, 'Accounting for taxes on income', issued by the Institute of Chartered Accountants of India, which includes current taxes and deferred taxes. Deferred income tax reflects the impact of current year timing difference between taxable income and accounting income for the year and reversal of the timing difference of earlier years. Deferred tax assets are recognized only to the extent of future taxable income, which will be available with reasonable certainty. Such deferred tax asset and liability shall be calculated and valued at each balance sheet date and carrying value of the same will be adjusted for recognising the change in the value of such deferred tax assets and liability.

1.10 Miscellaneous Expenditure

Preliminary expenditure and Public Issue expenditure are written off over a period of ten years on pro-rata basis.

1.11 Provisions & Contingencies

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation that probably will not require an outflow of resources or where a reliable estimate of obligation cannot be made.

1.12 Government Grants

- (i) Capital Subsidy received from Government as contribution towards Capital Outlay for setting up the fixed assets is treated as Capital Grants which is recognized as Income in the Profit & Loss account over the period and in the proportion in which depreciation is charged.
- (ii) Revenue Grants are recognized in Profit & Loss Account.

However no Government Grants have been received by the Company during the year.

1.13 Borrowing Cost

Borrowing cost attributable to the acquisition or construction of qualifying / eligible assets (as defined in AS – 16 issued by Companies Act) are capitalized as part of the cost of such assets. A qualifying / eligible asset is an asset that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are recognised as an expense and are charged to revenue in the year in which they are incurred. However, the company has not borrowed any funds during the year.

1.14 Impairment of Fixed Assets

Management periodically assesses using external and internal sources whether there is an indication that fixed assets of the company have suffered an impairment loss. Impairment loss, if any, is provided as per Accounting Standard (AS-28) on Impairment of Assets.

1.15 EARNING PER SHARE

Basic earnings per equity share are being computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year.

2. NOTES ON ACCOUNTS FOR THE YEAR ENDING 31ST MARCH 2012

The previous figures regrouped / reclassified, wherever necessary to confirm to the current period presentation.

2.1.SHARE CAPITAL

(Amount in Rs.)

Particulars	As At 31st March 2012		As At 31st March 2011	
	Nos.	Amount	Nos.	Amount
AUTHORISED				
Equity Shares of Rs.10/- each	1,00,00,000	100,000,000	1,00,00,000	100,000,000
ISSUED, SUBSCRIBED & PAID-UP				
Equity shares of Rs.10/- each fully paid up	95,04,950	95,049,500	95,04,950	95,049,500
Total	95,04,950	95,049,500	95,04,950	95,049,500

The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of Equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2012 and March 31, 2011 is set out below -

(Amount in Rs.)

Particulars	As At 31st March 2012		As At 31st March 2011	
	Nos.	Amount	Nos.	Amount
No. of shares at the beginning	9,504,950	95,049,500	9,504,950	95,049,500
Add - Shares issued during the year	-	-	-	-
No. of shares at the end	9,504,950	95,049,500	9,504,950	95,049,500

Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Particulars	As At 31st March 2012		As At 31st March 2011	
	Nos.	%	Nos.	%
Mr. Rakesh K. Jain	930,910	9.79	460,910	4.85
Hope Consultants Limited	3,915,043	41.19	3,915,043	41.19
Frontline Capital Services Limited	1,605,000	16.89	2,075,000	21.83
Total	6,450,953	67.87	6,450,953	67.87

2. NOTES ON ACCOUNTS FOR THE YEAR ENDING 31ST MARCH 2012

(Amount in Rs.)

Particulars	As At 31st March 2012	As At 31st March 2011
2.2 RESERVES AND SURPLUS		
A) General Reserves		
Opening Balance	5,047,852	5,047,852
(+) Current year transfer	-	-
Closing Balance	5,047,852	5,047,852
B) Security Premium Account		
Opening Balance	23,754,125	23,754,125
(+) Current year transfer	-	-
Closing Balance	23,754,125	23,754,125
C) RBI Reserve		
Opening Balance	50,134,061	43,044,264
(+) Current year transfer	6,379,326	7,089,797
Closing Balance	56,513,387	50,134,061
D) Surplus		
Opening Balance	149,893,684	130,039,996
(+) Net Profit/ (Net Loss) for the current year	31,896,631	35,693,690
(-) Proposed Dividend	(7,128,713)	(7,128,713)
(-) Proposed Dividend Tax	(1,156,455)	(1,184,079)
(-) Transfer to RBI Reserves	(6,379,326)	(7,089,797)
(-) Contingency Provision against Standard Assets	(100,593)	(244,707)
(-) Excess MAT credit of earlier year written off in Current Year (403,736)	-	(192,706)
Closing Balance	166,621,491	149,893,684
Grand Total	251,936,856	228,829,722

The Board of Directors at its meeting held on May 30, 2012 has recommended a final dividend of 7.5% (Rs. 0.75 per equity share of Rs.10/- each) for the F.Y. 2011-12 subject to the approval of the shareholders.

2. NOTES ON ACCOUNTS FOR THE YEAR ENDING 31ST MARCH 2012

(Amount in Rs.)

Particulars	As At 31st March 2012	As At 31st March 2011
2.3 LONGTERM BORROWING		
Payable to Greater Noida Authority for Land	22,500,000	-
	22,500,000	-
2.4 LONG TERM PROVISIONS		
Contingency Provision against Standard Assets	345,300	244,707
Total	345,300	244,707
2.5 OTHER LONG TERM LIABILITIES		
Security receipts	100,000	100,000
	100,000	100,000
2.6 TRADE PAYABLE		
Sundry Creditors	26,462	1,187,530
Commission & Brokerage Payable	963,352	2,896,723
	989,814	4,084,253
2.7 OTHER CURRENT LIABILITIES		
Unclaimed Dividend	611,670	445,291
Interest Income received but not accrued	604,931	-
	1,216,601	445,291
2.8 SHORT TERM PROVISIONS		
Expenses Payable	275,477	312,705
TDS payable	64,076	1,496
Gratuity Payable	53,938	31,194
Proposed Dividend	7,128,713	7,128,713
Corporate Dividend tax	1,156,455	1,184,079
	8,678,659	8,658,187

2.9 FIXED ASSETS

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	Rate of Depreciation as per SLM	As At 1.4.2011	Addition During The Year	Deduction During The Year	As At 31.3.2012	As At 1.4.2011	Provided During The Year	Adjusted During The Year	As At 31.3.2012	As At 31.3.2012	As At 31.3.2011
(i) Tangible Assets											
Leasehold Land		-	37,711,573	-	37,711,573	-	-	-	-	37,711,573	-
Building	1.63%	4,319,000	-	-	4,319,000	598,026	70,592.58	-	668,619	3,650,381	3,720,974
Office Equipments	4.75%	841,512	263,224	-	1,104,736	332,205	89,150.53	-	421,356	683,380	509,307
Furniture & Fixture	6.33%	123,562	115,048	-	238,610	50,372	12,492.00	-	62,864	175,746	73,190
Vehicles	9.50%	975,304	-	361,943	613,361	260,281	89,328.54	209,322	140,287	473,074	715,023
(ii) Intangible Assets											
Software	16.21%	901,700	-	-	901,700	268,940	146,566.02	-	415,506	486,194	632,760
Total		7,161,078	38,089,845	361,943	44,888,980	1,509,824	408,130	209,322	1,708,632	43,180,349	5,651,254
PREVIOUS YEAR		7,497,304	1,081,054	1,417,280	7,161,078	1,884,579	378,404	753,159	1,509,824	5,651,254	5,612,726

Lease hold land has been taken from Greater Noida Authority during the year 2011-2012

2. NOTES ON ACCOUNTS FOR THE YEAR ENDING 31ST MARCH 2012

(Amount in Rs.)

Script Name	Face Value	As At 31st March 2012		As At 31st March 2011	
		Nos. of Shares/Units	Value	Nos. of Shares/Units	Value

2.10 NON CURRENT INVESTMENTS

(i) Unquoted Investments

Systma Shyam Teleservices Limited	10	154,830	1,228,100	154,830	1,228,100
Jord Eng	10	100	-	100	-
Altos ltd	10	-	-	70	-
Oswal Agro	10	-	-	6,400	10,880
Ballmer lawerie cont. ltd	10	200	210	200	210
Digi flex	10	-	-	4,400	-
Total (A)			1,228,310		1,239,190

(ii) Quoted (Non Trade Investments)

Ashok Leyland Limited	1	20,000	-	-	-
Shree Renuka Sugars Limited	1	50,000	1,271,941	33,000	278,858
Flex Foods Limited	10	-	-	25,000	856,437
TV 18 Broadcast Limited	2	5,610	676,763	-	-
Cairn India Limited	10	-	-	2,000	526,839
Uflex Limited	10	12,114	1,544,088	-	-
Satyam Computer Services Limited	2	-	-	30,000	1,875,181
JB Chemical Pharma	2	10,000	912,968	-	-
Tata Motar Limited	2	22,500	1,850,709	-	-
Spice Jet Limited	10	40,000	987,137	-	-
Ralis India Limited	1	15,000	1,904,405	-	-
PVR Limited	10	2,000	283,520	-	-
Nitin Fire Protection India Limited	2	12,500	-	-	-
NIIT Limited	2	15,000	766,935	-	-
JK Tyre & Industries Limited	10	9,000	600,518	-	-
Mawana Sugars Limited	10	15,750	255,938	15,750	255,938
Philips Carbon Black Limited	10	5,000	492,570	-	-
Bell Ceramic Limited	10	20,989	619,485	20,989	619,485
Punjab & Sind Bank	10	5,000	405,811	-	-
Lanco Infratech Limited	1	50,000	1,033,607	-	-
Television Eighteen India Limited	5	-	-	8,250	806,094
Videocon Industries Limited	10	1,110	249,750	2,110	362,904
Hindustan Petro Corp Limited	10	5,000	1,312,185	-	-
Hindalco Industries Ltd	1	3,050	402,334	-	-
Oil India Limited	10	3,000	-	-	-
Jaiprakash Associates Limited	2	41,350	3,794,576	46,350	3,739,757

HDFC Limited	2	3,000	1,975,229	-	-
Jindal Polyfilms Limited	10	12,500	1,927,061	2,500	-
Oil & Natural Gas Corporation Limited	10	2,000	559,994	8,000	-
J.K.Udaipur Udyog Limited	10	10,100	9,595	10,100	9,595
Lumax Automotive Systems Limited	10	50	-	50	-
Reliance Industries Limited	10	20,600	20,126,391	14,000	14,486,387
Simbhaoli Sugars Limited	10	10,000	329,828	10,000	329,828
Reliance Capital Ventures Limited	10	60	-	60	-
Gujrat State Petronet Limited	10	15,000	1,128,184	-	-
Reliance Power Limited	10	300	-	300	-
Reliance Communications Limited	5	10,000	743,528	10,000	965,750
GHCL Limited	10	20,000	693,620	-	-
Rane Brake Linning Ltd	10	2,289	252,581	10,104	1,105,779
Canara Bank	10	-	-	2,500	1,312,613
Corporation Bank	10	-	-	1,500	834,071
IDBI Bank Limited	10	34,500	4,154,448	15,000	1,951,016
State Bank of India	10	2,000	4,358,717	1,500	3,988,661
Yes Bank Limited	10	-	-	5,000	1,449,752
IL & FS Engineering & Construction Company Limited	10	-	-	1,000	175,838
Value Industries Limited	10	26,934	667,807	26,734	664,998
ITC Limited	1	5,000	-	10,000	-
Chambal Fertilizers & Chemicals Ltd.	10	-	-	17,500	1,351,873
Can Fin Homes Limited	10	-	-	5,500	507,962
EIH Limited	2	20,500	1,693,208	13,901	917,466
Cummins India Limited	2	8,000	2,033,369	3,000	1,952,381
Larsen & Turbo Limited	2	-	-	1,500	2,329,222
IRB Infrastructure Developers Ltd.	10	-	-	15,500	2,988,357
Gate way Distriparks Limited	10	-	-	12,500	1,401,020
Network 18 Media & Inv Limited	5	1,172	144,507	100	15,176
Gujarat Gas Company Limited	2	-	-	1,500	598,571
Kothari Petro Chemicals Limited	10	1,548	11,041	42,145	359,897
Indian Oil Corporation Limited	10	5,000	1,336,539	2,500	885,439
Polyplex Corporation Limited	10	-	-	11,500	2,411,208
GlaxoSmithKline Pharmaceuticals Ltd	10	-	-	1,700	3,695,375
Ranbaxy Laboratories Limited	5	-	-	1,500	762,420
Emco Limited	2	25,000	908,969	20,000	1,301,085
Anant Raj Industries Limited	2	-	-	20,000	1,508,697
Zodiac Clothing Company Limited	10	5,000	1,018,298	-	-
EID Parry (India) Limited	1	-	-	5,000	1,046,793
TOTAL (B)			63,438,154		60,628,723

Investment of shares has been taken as long term investments as the intention of management at the time of purchase was to hold them as long term. However it may happen, in benefit of company some investments may be sold in short term. But the intention of management was to hold the investment as long term in general, hence the same has been taken as long term investments.

2. NOTES ON ACCOUNTS FOR THE YEAR ENDING 31ST MARCH 2012

(Amount in Rs.)

Scheme Name	As At 31st March 2012		As At 31st March 2011	
	Nos. of Shares/Units	Value	Nos. of Shares/Units	Value
MUTUAL FUND				
LIQUID/DEBT-GROWTH				
UTI Liquid Cash Plan Institutional - Growth Option	6,082	10,700,000	-	-
Reliance Regular Saving Fund Debt Inst.	-	-	863,323	10,900,000
Reliance Monthly Income Plan	37,939	750,000	37,939	750,000
Reliance Short Term Growth Fund	-	-	617,733	10,699,994
HDFC CASH MGT FUND-SAVING	-	-	320,608	6,840,140
HDFC Cash Mgt Fund-Growth	-	-	29,027	600,000
HDFC MF MONTHLY INCOME PLAN -GROWTH	101,367	2,295,089	101,367	2,295,089
ICICI PRU. Banking PSU Fund	-	-	33,613	338,155
RELIANCE Liquid Fund Treasury - Growth	-	-	173,430	4,124,989
HSBC MIP- Regular-Growth	105,565	1,500,000	105,565	1,500,000
HSBC MIP-Saving-Growth	64,848	1,000,000	64,848	1,000,000
Canara Robeco Treasury Advantage Institutional	13,214	23,062,206	-	-
MUTUAL FUND-EQUITY				
Franklin India Bluechip	13,905	499,999	-	-
ICICI Prudential Dynamic Plan-Div	26,961	500,000	26,961	500,000
DSP Black Rock TOP 100 Eq. Fund	-	-	48,217	950,000
Reliance Diversified Power Sec Fund-Div	13,125	500,000	13,125	500,000
Reliance Pharma Fund	68,684	2,677,584	89,295	3,196,109
HDFC Top 200 Fund - Dividend	51,539	2,400,000	24,134	1,200,000
Total (C)		45,884,878		45,394,476
Bonds				
01006 GOI 2021	50,000	5,910,720	50,000	5,910,720
6.9% GOI 2019 (Central Govt. Loan 09009)	5,000	498,529	5,000	498,529
Central govt.Loan 07003 GOI	62,000	6,244,801	62,000	6,244,801
Total (D)		12,654,050		12,654,050
Total (A+B+C+D)		123,205,392		119,916,439

Notes:

- Aggregate cost of unquoted investment is Rs. 1,228,310 /-(previous year Rs. 1,239,190/-)
- Aggregate cost of quoted investment is Rs. 63,438,154 /-(previous year Rs 60,628,723/-)
- Aggregate cost of mutual fund is Rs. 45,884,878 /- (previous year Rs. 45,394,476/-)
- Market value of quoted Investment is Rs. 64,270,749 /-(previous year Rs. 70,260,998/-)
- No provision has been made for reduction in market value as the same is temporary in nature.

2. NOTES ON ACCOUNTS FOR THE YEAR ENDING 31ST MARCH 2012

(Amount in Rs.)

Particulars	As At 31st March 2012	As At 31st March 2011
2.11 LONG TERM LOANS AND ADVANCES		
Loans - Considered as good	8,560,257	22,041,007
	<u>8,560,257</u>	<u>22,041,007</u>
2.12 OTHER NON CURRENT ASSETS		
Margin Money Paid	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>
2.13 CASH AND BANK BALANCES		
a. Cash and cash equivalents		
i. Balances with banks		
In Current Account	1,780,159	739,853
ii. Cash in hand	4,880	8,421
	<u>1,785,039</u>	<u>748,274</u>
b. Other Bank balances		
i. In Unpaid Dividend Account	611,670	445,291
ii. Other Fixed deposits	63,900,000	63,700,000
	<u>66,296,709</u>	<u>64,893,565</u>
2.14 SHORT TERM LOAN & ADVANCES		
Loan & Advances Recoverable in Cash or in Kind or for value to be received and consider as good	1,748,131	2,704,790
Advance Tax/TDS	1,130,867	1,153,030
Loan - considered as good	129,559,698	75,841,904
	<u>132,438,695</u>	<u>79,699,725</u>

2. NOTES ON ACCOUNTS FOR THE YEAR ENDING 31ST MARCH 2012

(Amount in Rs.)

Scheme Name	As At 31st March 2012		As At 31st March 2011	
	Nos. of Units	Value	Nos. of units	Value
2.15 CURRENT INVESTMENTS				
MUTUAL FUND LIQUID - FMP				
Reliance Quarterly Interval Fund	-	-	405,861	5,000,000
UTI Quarterly Interval Plan	-	-	429,612	5,000,000
SUNDRAM Fixed Income Quarterly plan	-	-	139,523	1,607,235
Reliance Interval Fund Monthly	-	-	243,466	3,048,897
Reliance Interval Fund Quarterly	-	-	196,580	2,500,000
HDFC FMP 370D	-	-	1,000,000	10,000,000
HDFC Quarterly Paln B Growth Option	-	-	1,003,065	10,188,738
		-		37,344,870

2.16 OTHER CURRENT ASSETS

(Amount in Rs.)

Particulars	As at	As at
	31.03.2012	31.03.2011
Prepaid Exp	1,206	-
Security Deposits	42,620	122,620
Interest Accrued But Not Due	1,472,743	1,663,944
MAT Credit	-	1,452,130
	1,516,568	3,238,693

2.17 INCOME FROM OPERATION

(Amount in Rs.)

Particulars	For the Year ended	For the Year ended
	31.03.2012	31.03.2011
Profit on Sale of Investment (Net)	10,236,652	19,624,517
Profit / (Loss) from F&O (Net)	-	(2,567)
Dividend on Non Trade Securities	1,968,541	1,585,472
Interest		
- Tax Free Interest	34,595	38,139
- On Loans(others)	11,289,073	10,866,840
- On Bank Deposits	6,662,098	2,057,403
	17,985,766	12,962,382
Miscellaneous Income	13,645	9,258
Commission & Brokerage	15,767,288	13,998,247
Income from consultancy	620,000	619,678
	46,591,891	48,796,987

2. NOTES ON ACCOUNTS FOR THE YEAR ENDING 31ST MARCH 2012

2.18 EMPLOYEES BENEFIT EXPENSES

(Amount in Rs.)

Particulars	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Salary, Wages & Other Benefits	2,622,462	2,496,742
Contribution to Provident Fund & Other Funds	105,108	112,896
Staff Welfare	72,004	63,262
Gratuity	38,520	19,079
	2,838,094	2,691,979

2.19 FINANCIAL CHARGES

(Amount in Rs.)

Particulars	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Bank Charges	8,523	19,080
	8,523	19,080

2.20 ADMINISTRATIVE & OTHER EXPENDITURE

Printing & Stationery	151,278	223,723
Advertisement	55,445	71,074
Postage & Telegram	75,119	1,028
Sundry Balance w/off	10,128	36,545
Repairs & Maintenance	116,089	151,335
Office Maintenance Exp.	28,170	23,933
Software Expenses	322,680	-
Conveyance	125,734	154,498
Water and Electricity Expenses	3,220	1,590
Travelling & Conveyance	3,275	179,254
Auditors' Remuneration	18,000	16,500
Tax Audit Fee	7,000	5,500
Professional Charges	723,138	456,323
Rent Exp	120,000	388,800
Telephone & Internet Expenses	52,528	84,603
AGM Expenses	153,518	203,343
Vehicle Running & Maintenance Expenses	44,180	29,500
Loss on sale of Car	102,621	244,122
Other Expenses	265,047	188,435
	2,377,170	2,460,106

2.21 RELATED PARTY DISCLOSURE

Following disclosures are made as per Accounting Standard 18, regarding “Related Party Disclosures” as notified by the Companies Accounting Standard Rules (2006):

(A) List of Related Parties

(i) Wholly Owned Subsidiary:

Nil

(ii) Fellow Subsidiary:

Nil

(iii) Enterprise for which Reporting Enterprise is an Associate:

Nil

(iv) Individual having significant influence or control

Mr Rakesh K Jain

Ms Purna Jain

(v) Relatives of individual having significant influence or control

Ms Vidha Jain

Ms Aridhi Jain

(vi) Key Management Personnel:

Ms. Sarabjeet Kaur

(vii) List of companies/enterprises, in which any of person (including any of relative), listed in (iv),(v) & (vi) have significant influence or control

1. Hope Consultants Limited
2. FSL Software Technologies Limited
3. Wonder Buildtech Private Limited
4. Frontline Commodities & Derivatives Private Limited
5. Petal Consultants Private Limited
6. Front Investments & Financial Consultants Private Limited
7. Vardhman Electricals Private Limited
8. FSL Education Services Private Limited
9. FSL Consultants Private Limited
10. Jain Singhal & Associates
11. JSA Advisors LLP
12. Frontline Capital Services Limited

(B) Details of transactions relating to persons referred in item A above**(Amount in Rs.)**

Nature of transactions	For the year 2011-2012		For the year 2010-2011	
	Paid	Received	Paid	Received
1. Remuneration paid to key managerial personnel Sarabjeet Kaur	447,871	-	406,377	-
2. Rent paid Hope Consultants Limited	120,000	-	120,000	-
3. Brokerage paid Frontline Capital Services Limited	554,495	-	461,669	-
4. Software purchase FSL Software Technologies Limited	209,000	-	418,000	-
5. Interest Income on cash margin Frontline Capital Services Limited	-	439,013	-	348,083
6. Loan and advances given FSL Consultants Private Limited FSL Education Services Private Limited	- -	18,520 19,480	18,520 19,480	- -
7. Service Received Front Investments & Financial Consultants Private Limited	75,000			
	1,406,366	477,013	1,444,046	348,083

2.22 QUANTITATIVE DETAILS

The Company is engaged in financial consultancy, distribution of financial products and investments in financial securities. As the company is not a manufacturing company and cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and certain information as required under paragraph 5(viii)(c) of general instructions for preparation of the statement of profit and loss as per revised schedule VI to the Companies Act, 1956.

2.23 DUES TO MICRO SMALL AND MEDIUM ENTERPRISES

The company has no dues to micro and small enterprises during the year ended 31, 2012 and March 31, 2011.

2.24 RETIREMENT BENEFITS**A) GRATUITY**

The employees' Group Gratuity Scheme is managed by Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Particulars	Percentage	Current Year Amount	Percentage	Previous Year Amount
Actuarial assumptions				
Discount Rate Per Annum	8%		8%	
Salary Escalation	6%		6%	
Reconciliation of opening and closing balances of obligation				
Obligation at beginning of the year		270,973		237,318
Current Service Cost		32,006		24,865
Interest Cost		21,678		18,985
Actuarial (gain) /loss		7,388		(10,195)
Less: Benefits paid		-		-
Obligation at the end of the year		332,045		270,973
Reconciliation of opening and closing balances of fair value assets				
Fair value of plan assets at beginning of the year		289,788		175,537
Employer contribution		13,191		92,975
Less: Benefits Paid		-		-
Add: Expected return on plan assets		27,096		21,276
Fair value of plan assets at the end of the year		330,075		289,788
Amount Recognized in Balance Sheet				
Present value of obligation		332,045		270,973
Fair value of plan assets		330,075		289,788
Amount recognized in Balance Sheet(Unfunded)		1,970		(18,815)
Gratuity cost for the period				
Current Service Cost		32,006		24,865
Interest Cost		21,678		18,985
Expected return on plan assets		(27,096)		(21,276)
Actuarial (gain) /loss		7,388		(10,195)
Net Gratuity cost		33,976		12,379

B) Leave accumulated during the year lapse on the balance sheet date and thus no provision for leave encashment is made.

C) Contribution to provident fund is made monthly at predetermined rates to the appropriate authorities.

2. NOTES ON ACCOUNTS FOR THE YEAR ENDING 31ST MARCH 2012

2.25 DEFERRED TAX BALANCES

(Amount in Rs.)

Particulars	As at 31.03.2012	As at 31.03.2011
a. Deferred Tax Liabilities (Net)		
(i) Depreciation	-	(890,180)
(ii) Others	-	1,264,073
	<u>-</u>	<u>373,893</u>
b. Deferred Tax Assets (Net)		
(i) Depreciation	1,890,750	-
(ii) Others	(1,271,990)	-
	<u>618,760</u>	<u>-</u>

2.26 EARNING PER SHARE

(Amount in Rs.)

Particulars	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Net Profit for the year as per statement of Profit & Loss	31,896,631	35,693,690
Weighted average number of shares	9,504,950	9,504,950
Earning per share basic and diluted	3.36	3.76
Face value per equity share	10	10

FOR AND ON BEHALF OF THE BOARD

(RAKESH K. JAIN)
Director

(ATUL K. JAIN)
Director

(SARABJEET KAUR)
Director & Company Secretary

“AS PER OUR REPORT ATTACHED OF EVEN DATE”
For J. JAIN & COMPANY
Chartered Accountants
Firm's Registration Number : 004208N

(JAYANTI JAIN)
Proprietor
M.No. 83450

Place : Noida
Dated : 30-05-2012

SHAREHOLDER INFORMATION FORM

(For use by shareholders holding Shares in Physical mode only)

To,
The Company Secretary
M/s Frontline Securities Limited
M-6, M-Block Market, Greater Kailash - II
New Delhi-110048

Place :.....

Date :.....

Dear Sirs,

I hereby request you to update your records as per information given below :

Members are requested to provide the below mentioned information :

1. Folio No. :..... 2. No. of Shares :.....
{Folio No. as given in equity share certificate(s)}
3. Member's Name : Shri/Smt./Kum. :
4. Member's Address :
5. Email ID :

I hereby declare that the above particulars given above are correct and complete.

Signature of the First Named / Sole Member

NOTE :

1. Please complete the form and send it to Company at the above address if you are holding share certificate(s) in physical form.
2. In case your shares are in Dematerialized form, inform/update your information directly with the Depository Participant (DP) with whom you are maintaining Demat Account and not to the Company or its Registrar.
3. In case of more than one folio, please complete the details on separate sheets.

3rd Fold

M/s Frontline Securities Limited
M-6, M-Block Market, Greater Kailash - II
New Delhi-110048

2nd Fold

1st Fold

Sender's Name and Address

ECS MANDATE FORM

(For use by shareholders holding Shares in Physical mode only)

To,

The Company Secretary

M/s Frontline Securities Limited

M-6, M-Block Market, Greater Kailash - II

New Delhi-110048

Place :

Date :

Dear Sirs,

I hereby consent to have the amount of Dividend on my equity shares credited through the Electronic Clearing System (Credit Clearing) - (ECS). The particulars are :

1. Folio No.:

{Folio No. given in equity share certificate (s)}

2. Member's Name : Shri/Smt./Kum. :

3. Member's Address :

4. Particulars of the Bank Account :

☞ Bank Name :

☞ Branch Name :

☞ Mention the 9-digit code number of the bank and branch appearing on the MICR Cheque issued by the bank:

(Please attach a photocopy of a Cheque or a blank cancelled Cheque issued by your bank for verifying the accuracy of the code number)

☞ Account type (Please ✓) Saving Current Cash Credit

☞ Account number (as appearing on the Cheque book :

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information for any reasons, I would not hold the Company responsible. I also undertake to advise changes, if any, in the particulars of my account to facilitate updation of records for purposes of credit of Dividend amount through ECS.

Signature of the First Named /Sole Member

Note : 1. Please complete the form and send it to Register & Share Transfer Agent at the above address if you are holding share certificate(s) in physical form, latest by Monday, July 09, 2012.

2. In case your shares are in Dematerialized form, inform/update your informations directly with the Depository Participant (DP) with whom your are maintaining Demat Account and not to the Company or its Registrar.

3. In case of more than one folio, please complete the details on separate sheets.

4. Subject to the rules and regulations of the Scheme of ECS of the Reserve Bank of India from time.

3rd Fold

M/s Frontline Securities Limited
M-6, M-Block Market, Greater Kailash - II
New Delhi-110048

2nd Fold

1st Fold

Sender's Name and Address

FRONTLINE SECURITIES LIMITED

Registered Office : M-6, M Block Market, Greater Kailash-II, New Delhi - 110 048

PROXY FORM

I/We resident in the district of being member / members of the above named Company, hereby appoint..... resident of in the district of or failing him resident of as my / our proxy to attend and vote for me / us on my / our behalf at the 18th Annual General Meeting of the Company to be held on Monday the 16th July 2012 at 9.45 a.m. and at any adjournment thereof.

*DP ID *Client Id
Regd. Folio No. No. of Shares held
Signed this day of 2012
Signature of Shareholder
Signature of Proxy
Attested by the Shareholder

Re 1
Revenue
Stamp

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the scheduled time of the meeting. The Proxy need not be a member of the Company.

**Applicable for investors holding shares in electronic form*

FRONTLINE SECURITIES LIMITED

Registered Office : M-6, M Block Market, Greater Kailash-II, New Delhi - 110 048

ATTENDANCE SLIP

I hereby record my presence at the 18th Annual General Meeting held at Air Force Auditorium. Subroto Park, New Delhi on Monday, the 16th July 2012 at 9.45 a.m.

Name of the Shareholder(s)
(in Block Letter)
Father's / Husband's Name

Name of the Proxy or Company Representative
(in Block Letters)
*DP ID *Client Id
Regd. Folio No. No. of Shares held
Signature of the Shareholder(s) or
Proxy of Company Representative

Note : Members/Proxies are requested to bring the duly filled in Attendance slip to the Annual General Meeting to be handed over at the meeting.

**Applicable for investors holding shares in electronic form.*

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