

19th

**ANNUAL  
REPORT**  

---

**2012-2013**



**FRONTLINE**  
SECURITIES LIMITED



## CORPORATE INFORMATION

<b>Board of Directors</b>	Mr. Rakesh K. Jain, Chairman Dr. C. S. Bedi Mr. Atul K. Jain Mr. Arun K. Jain Mr. Baljit Singh Bedi Mrs. Sarabjeet Kaur Mr. Gauri Shanker Pandey
<b>Company Secretary</b>	Mr. Avinash Chandra
<b>Auditors</b>	J. Jain & Company Chartered Accountants 202-H, Paras Bazar, Gali Ghante Wali Chandni Chowk, Delhi-110006
<b>Registrar &amp; Transfer Agent</b>	Link Intime India Private Limited 44 Community Centre, 2 <sup>nd</sup> Floor, Naraina Industrial Area, Phase-I, Near PVR, Naraina, New Delhi – 110028
<b>Bankers</b>	HDFC Bank, New Delhi
<b>Registered Office</b>	M-6, M-Block Market Greater Kailash-II, New Delhi - 110 048
<b>Branch Office</b>	B-22, Sector-4 Noida-201301
<b>Website</b>	<a href="http://www.fslindia.com">www.fslindia.com</a>

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## **NOTICE OF AGM**

Notice is hereby given that the Nineteenth Annual General Meeting of the Company will be held on Monday, September 23, 2013 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, 2013 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, 2013.
- 3) To appoint a Director in place of Dr. C. S. Bedi, who retires by rotation, and being eligible offers himself for reappointment.
- 4) To appoint a Director in place of Mr. Baljit Singh Bedi, 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 19<sup>th</sup> Annual General Meeting till the conclusion of the 20<sup>th</sup> Annual General Meeting of the Company and to authorize the Board of Directors to fix the remuneration of Auditors.

### **SPECIAL BUSINESS**

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

**“Resolved that** Mr. Gauri Shanker Pandey who was appointed as an Additional Director w.e.f. 16<sup>th</sup> March 2013 in terms of section 260 of the Companies Act, 1956 and Article 101 of the Articles of Association of the Company, to hold office till the conclusion of the ensuing Annual General Meeting, be and is hereby appointed as Director of the Company”.

**“Resolved further that** pursuant to the provisions of Section 269 and other applicable provisions, if any, of the Companies Act, 1956 approval of the Members be and is hereby accorded to the appointment of Mr. Gauri Shanker Pandey as Whole Time Director with effect from 16<sup>th</sup> March, 2013 for a period of 5 years.

**“Resolved further that** the remuneration paid to Mr. Gauri Shanker Pandey w.e.f. March 16, 2013 and as increased w.e.f. April 1, 2013 (details of both of which are captured in the explanatory statement annexed to this notice) be and is hereby ratified.

**“Resolved further that** Mr. Gauri Shanker Pandey, Whole Time Director of the Company be and is hereby paid such remuneration as the Board of Directors may deem fit from time to time subject to the relevant provisions of Companies Act, 1956 and Articles of the Company.”

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

Place : Noida  
Date : May 30, 2013

**Avinash Chandra**  
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 the meeting.
3. An Explanatory statement pursuant to section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.
4. At the ensuing Annual General Meeting, Dr. C. S. Bedi and Mr. Baljit Singh Bedi 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.
5. M/s Link Intime India Private Limited, 44 Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, 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.
6. 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).
7. The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, September 17, 2013**, to **Monday, September 23, 2013**, (both days inclusive).
8. 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 19<sup>th</sup> Annual General Meeting, will be paid to those

shareholders whose names appear on the Register of Members of the Company as on September 17, 2013 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 September 16, 2013.

9. Members / proxies should bring the attendance slips duly filled in and signed for attending the meeting.
10. 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.
11. The Company has transferred unclaimed amounts of dividends paid upto March 31, 2005 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, shortly the Company will initiate the process of transfer of unclaimed dividend pertaining to the financial year 2005-2006 to the Investor Education and Protection Fund in October, 2013.

Members are therefore requested to encash their dividend warrants immediately for the year 2005-2006 and 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.

12. 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, September 16, 2013, to the Company Secretary at B-22, Sector-4, Noida, Uttar Pradesh-201301 or M/s Link Intime India Private Limited at 44 Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, 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.



13. 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.
14. 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.
15. Any queries relating to Accounts must be sent to the company at least 10 days before the date of the Annual General Meeting.
16. 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, 2013

**Avinash Chandra**  
Company Secretary

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

### Item No. 6

Pursuant to Article 101 of the Articles of Association of the Company, the Board of Directors at their meeting held on 16<sup>th</sup> March, 2013 appointed Mr. Gauri Shanker Pandey as an Additional Director. Mr. Gauri Shanker Pandey is HR Manager in the Company. Mr. Gauri Shanker Pandey is a Director in Frontline Capital Services Limited, FSL Software Technologies Limited and Wonder Buildtech Private Limited.

The Board now recommends the appointment of Mr. Gauri Shanker Pandey as a Whole time Director w.e.f. 16<sup>th</sup> March, 2013 for a period of 5 years.

#### PART- A

#### Salary Structure - Payable from March 16, 2013 to March 31, 2013

Components	Amount per month (in Rs.)
Basic	30,000
HRA	30,000
TA	800
Other Allowance	7,150
Medical Reimbursement	1,250
<b>Gross Salary</b>	<b>69,200</b>
PF(Employer's Contribution)	3,600
Gratuity	1,500
Bonus	700
<b>Cost to Company (CTC)</b>	<b>75,000</b>

**PART-B**  
**Salary Structure – Payable from April 1, 2013 onwards**

Components	Amount per month (in Rs.)
Basic	40,000
HRA	40,000
TA	800
Other Allowance	10,450
Medical Reimbursement	1,250
<b>Gross Salary</b>	<b>92,500</b>
PF(Employer's Contribution)	4,800
Gratuity	2,000
Bonus	700
<b>Cost to Company (CTC)</b>	<b>1,00,000</b>
<b>Other Entitlements: Conveyance reimbursement maximum upto Rs. 10,000/- w.e.f. from 01.04.2013. All other benefits and entitlements, if any, as per policy of the Company.</b>	

Due notice under Section 257 of the Companies Act 1956, along with deposit of Rs. 500/- has been received from a member proposing the appointment of Mr. Gauri Shanker Pandey as Director of the Company.

In view of the provisions of section 269 of the Companies Act, 1956 read with Schedule XIII of the Companies Act, the Board seeks the consent of the shareholders by way of ordinary resolution.

The terms of remuneration, as stated above may be treated as an abstract of terms of remuneration under section 302 of the Companies Act, 1956.

Except Mr. Gauri Shanker Pandey, no other director of the Company is in any way concerned or interested in the proposed resolution.

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

Place : Noida  
Date : May 30, 2013

**Avinash Chandra**  
Company Secretary

## DIRECTOR'S REPORT

Dear Shareholders,

The Directors take pleasure in presenting their Nineteenth Annual Report and Audited Accounts for the year ended March 31, 2013.

### FINANCIAL RESULTS

The financial performance of the Company, for the year ended March 31, 2013 is summarized below:

(Rs. in Lakhs)

Particulars	2012-2013	2011-2012
<b>Profit before Depreciation and Amortization Expenses, Finance Costs and Tax Expenses</b>	<b>535.54</b>	<b>413.77</b>
Less: Finance Costs	0.06	0.09
Depreciation & amortization expenses	3.90	4.08
<b>Profit before tax</b>	<b>531.58</b>	<b>409.60</b>
Less: Current Tax	153.53	98.11
Deferred Tax	(2.23)	(9.93)
MAT Credit	-	-
STT Charges	1.39	2.45
<b>Profit for the year</b>	<b>378.89</b>	<b>318.97</b>
Add: Balance in Profit & Loss Account	1666.21	1498.94
	2045.10	1817.90
<b>Less: Appropriation:</b>		
Transferred to RBI Reserve	75.78	63.79
Proposed Dividend on Equity Shares	71.29	71.29
Proposed Dividend Tax	12.11	11.56

Contingency Provision against Standard Assets	(1.17)	1.01
Excess MAT credit of earlier year written off in current year	-	4.04
Short Provision of Income Tax made in the previous year	2.35	-
<b>Closing Balance</b>	<b>1884.74</b>	<b>1666.21</b>

## PERFORMANCE OF THE COMPANY

During the year under review the Company has earned Profit before Tax of Rs. 531.58 lakhs and Profit after Tax of Rs. 378.89 lakhs.

## FUTURE OUTLOOK

The year under review has seen volatile 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. Considering the global factors and also the fact that the current year will see election uncertainties, the market environment for the current year looks volatile. 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, 2013.

## 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, Dr. C. S. Bedi and Mr. Baljit Singh Bedi, 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.

Mrs. Sarabjeet Kaur resigned from the post of Whole Time Director w.e.f 16<sup>th</sup> March, 2013. However she will continue to act as Director on the Board of the Company. The Board expressed its sincere appreciation for the contribution made by Mrs. Sarabjeet Kaur during her tenure as Whole Time Director.

Mr. Gauri Shanker Pandey was appointed as Whole Time Director w.e.f 16<sup>th</sup> March, 2013 in compliance with Listing Agreements, Companies Act, 1956 and other applicable laws.

## **COMPANY SECRETARY**

Mrs. Sarabjeet Kaur resigned from the post of Company Secretary w.e.f. 16<sup>th</sup> March, 2013.

Mr. Avinash Chandra, an Associate Member of the Institute of Company Secretaries of India has been appointed as Company Secretary w.e.f. 16<sup>th</sup> March, 2013 in compliance with Listing Agreements, Companies Act, 1956 and other applicable laws.

## **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, 2013, 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 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, 2013 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.

## **RBI GUIDELINES**

The Company has complied with the Regulations of the Reserve Bank of India as on 31<sup>st</sup> March, 2013, as are applicable to it as a Non-Banking Financial Company.

## **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.

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

Place : Noida  
Date : May 30, 2013

**Rakesh K. Jain**  
Chairman

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. Industry Structure and Development

The year under review has seen volatile market conditions mainly due to global factors. Although economic data of the country were not encouraging, cash flow from FII's kept the stock market up and stable. However the Company continued to follow conservative investment policy besides stressing more on fee based business of wealth management and distribution of mutual funds and could improve its profit after tax from 3.19 Cr in 2011-12 to 3.79 Cr in 2012-13.

### 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. 612.42 lacs. The Profit Before Tax was recorded at Rs. 531.58 lacs and after providing for Current Tax of Rs. 153.53 lacs, Deferred Tax of Rs. (2.23) lacs, and STT Charges of Rs. 1.39 lacs, the Profit after Tax was Rs. 378.89 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**

(Rupees in lakhs)

<b>Particulars</b>	<b>Year ended 31.03.2013</b>	<b>Year ended 31.03.2012</b>
Revenue from operations	512.12	343.73
Other Income	100.30	122.19
Expenses	80.84	56.32
Profit Before Tax	531.58	409.60
Tax Expense		
- Current Tax	153.53	98.11
- Deferred Income Tax	(2.23)	(9.93)
- Mat Credit	-	-
- STT Charges	1.39	2.45
Profit After Tax	378.89	318.97
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 recognizes that people play a critical role in achieving its goals. As on 31<sup>st</sup> March, 2013, Company had a team of talented and experienced employees, providing a wide range of Financial Services. The focus for the year was to build platforms and to put in place scalable processes that would meet the needs of our Company's growth agenda.

As a growing Company there are many opportunities available to employees to contribute and grow, ensuring that motivation is high. Our Company prides itself on its ability to attract and retain talents at all levels.

**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 2.23 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 outside India.*

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

Place : Noida  
Date : May 30, 2013

**Avinash Chandra**  
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 a 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 7 Directors out of which 4 are Independent Directors. The composition of the Board and category of Directors are as follows:

<b>Category</b>	<b>Name of Directors</b>
Non-Executive & Promoter Director (Chairman)	Rakesh K. Jain
Non-Executive Independent Director	Arun Kumar Jain C.S. Bedi Baljit Singh Bedi Atul K. Jain
Non-Executive Non Independent Director	Sarabjeet Kaur*
Whole Time Director	Gauri Shanker Pandey**

\* Mrs. Sarabjeet Kaur resigned from the post of Whole Time Director and Company Secretary w.e.f. 16<sup>th</sup> March, 2013. However she continues to act as Director on the Board of the Company.

\*\* Mr. Gauri Shanker Pandey was appointed as Whole Time Director w.e.f 16<sup>th</sup> March, 2013.

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, 2013 is as follows:

Name	No. of shares held
Rakesh K. Jain	1,405,910
Atul K. Jain	10
Arun K. Jain	210
Dr. C.S. Bedi	Nil
Baljit Singh Bedi	600
Sarabjeet Kaur	Nil
Total	1,406,730

## Directors Retiring by Rotation

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

**Dr. C.S. Bedi**, MBBS, M.D. has been associated with the Company as Director since the year 1996. With his extensive business contacts and experience, Dr. C.S. Bedi has contributed significantly to the development of the Company. Dr. C.S. Bedi is a Director in ABC Telecom Private Limited and Three-D Solutions Private Limited and is the member of Audit Committee and Remuneration Committee of Frontline Securities Limited.

**Mr. Baljit Singh Bedi**, a Chartered Accountant by profession has been associated with the Company since June 23, 2008. Mr. Bedi has over 32 years of experience in the field of Foreign Exchange Regulations, Company Law Matters, Business Advisory Services, Statutory Audits & Internal Audits. At present Mr. Baljit Singh Bedi holds 600 shares in the Company. Mr. Bedi is also on the Board of BSN Financial Services Private Limited.

### 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	No. of Directors Present
1.	April 5, 2012	6	6
2.	May 30, 2012	6	6
3.	July 31, 2012	6	6
4.	September 28, 2012	6	5
5.	October 31, 2012	6	5
6.	January 31, 2013	6	6
7.	March 16, 2013	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 2012-2013		No. of Other Directorships held (including private companies) As on 31.03.2013	No. of Committee Memberships in all Companies
		Board Meetings	Last AGM		
1	Mr. Rakesh K. Jain	7	Yes	8	1
2	Mr. Atul K. Jain	7	Yes	4	2
3	Mr. Arun K. Jain	7	Yes	1	3
4	Dr. C S Bedi	7	Yes	2	2
5	Mrs. Sarabjeet Kaur*	7	Yes	Nil	1
6	Mr. Baljit Singh Bedi	7	Yes	1	2
7	Mr. Gauri Shanker Pandey**	Nil	N.A	3	Nil

\* Mrs. Sarabjeet Kaur resigned from the post of Whole Time Director and Company Secretary w.e.f. 16<sup>th</sup> March, 2013.

\*\* Mr. Gauri Shanker Pandey was appointed as Whole Time Director on 16.03.2013

## Board Committees:

### a. Audit Committee of Directors (Audit Committee)

#### Composition

The Audit Committee comprises of 4 (four) Independent Directors. 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 2012-2013. The details of attendance at these meetings are as follows:

Name of Member	Attendance at the meeting held on			
	28.05.2012	30.07.2012	29.10.2012	29.01.2013
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 18<sup>th</sup> Annual General Meeting held on July 16, 2012.

## 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, 2013, 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	25

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

Mr. Avinash Chandra, 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, 2013.

As on March 31, 2013, 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.

### Remuneration Policy

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

The details of the remuneration paid to Mr. Gauri Shanker Pandey, Whole Time Director and Mrs. Sarabjeet Kaur Whole Time Director & Company Secretary during the year ending 31<sup>st</sup> March 2013 are as follows:

Mr. Gauri Shanker Pandey: Rs. 34,950\*

Mrs. Sarabjeet Kaur: Rs. 261,121\*\*

\* Mr. Gauri Shanker Pandey has been appointed as Whole Time Director w.e.f 16.03.2013. He has been paid an amount of Rs. 790,500 for the F.Y 2012-2013 as salary which includes amount of Rs. 34,950 paid to him as Remuneration for the period 16.03.2013 to 31.03.2013.

\*\* Mrs Sarabjeet Kaur resigned from the post of Whole Time Director & Company Secretary w.e.f 16.03.2013

#### 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, 2013. 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

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

Year	Location	Date	Time	Whether any special resolution passed therein
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
2011-12	Air Force Auditorium Subroto Park New Delhi – 110 010	July 16, 2012	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. 2.23 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	September 23, 2013
Day	Monday
Time	9.45 A.M.
Venue	Air Force Auditorium, Subroto Park, New Delhi – 110010

### ii) Financial Calendar 2013-2014

Results for the quarter ended June, 2013.	Will be announced on/ before 14 <sup>th</sup> August, 2013.
Results for the quarter ended September, 2013.	Will be announced on/ before 14 <sup>th</sup> November, 2013.
Results for the quarter ended December, 2013.	Will be announced on/ before 14 <sup>th</sup> February, 2014.
Results for the year ended 31 <sup>st</sup> March, 2014	Will be announced on/ before 30 <sup>th</sup> May, 2014.

iii) **Book Closure Dates:** September 17, 2013 (Tuesday)  
to  
September 23, 2013 (Monday)  
[both days inclusive]

iv) **Dividend Payment date** : credit/despatch of dividend warrants  
between September 24, 2013 and  
October 4, 2013

Shareholders who have opted for ECS, dividend will be credited directly to their respective bank accounts through ECS. For others, dividend warrants will be dispatched 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.

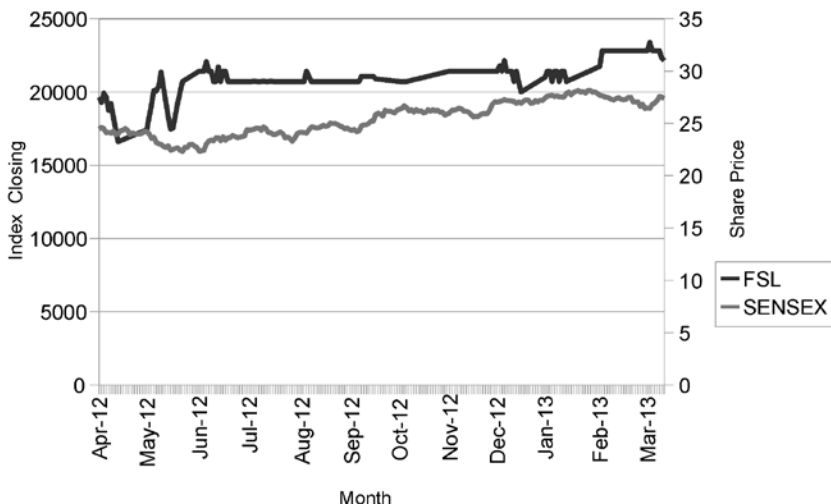
Stock code

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-12	27.90	23.15	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-12	29.90	23.25		
June-12	32.40	28.55		
July-12	29.75	29.00		
Aug-12	30.45	29.00		
Sept-12	30.00	29.00		
Oct-12	29.00	29.00		
Nov-12	30.00	30.00		
Dec-12	31.00	28.00		
Jan-13	30.00	28.00		
Feb-13	31.95	30.00		
March-13	33.50	31.00		

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  
 44 Community Centre, 2<sup>nd</sup> Floor,  
 Naraina Industrial Area, Phase-I,  
 Near PVR, Naraina, New Delhi-110028  
 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, 2013 is as follows:

No. of Equity Shares held	Folios		Shares	
	Numbers	%	Numbers	%
Up to 250	3405	84.554	235230	2.475
251 - 500	366	9.089	139191	1.464
501 – 1000	137	3.402	115866	1.219
1001 – 2000	56	1.391	81051	0.853
2001 – 3000	9	0.223	23300	0.245
3001- 4000	5	0.124	18800	0.198
4001- 5000	3	0.074	14000	0.147
5001 – 10000	9	0.223	64364	0.677
10001& above	37	0.919	8813148	92.722
<b>TOTAL</b>	<b>4027</b>	<b>100.000</b>	<b>9504950</b>	<b>100.000</b>

## vii) Shareholding Pattern as on March 31, 2013 is as follows:

S.No.	Category	No. of equity shares	% of shares
1.	Promoters	7094943	74.645
	Sub Total (A)	7094943	74.645
2.	Public Shareholding		
	o Bodies Corporate	717939	7.553
	o Individuals	1388181	14.605
	o Others	303887	3.197
	Sub Total (B)	2,410,007	25.355
	<b>Grand Total (A)+(B)</b>	<b>9504950</b>	<b>100.00</b>



**viii) Dematerialization of shares and Liquidity**

As on 31<sup>st</sup> March 2013, 9,102,853 shares aggregating to 95.77% 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**

44, Community Centre  
2nd Floor, Naraina Industrial Area,  
Phase I, Near PVR Naraina  
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, 2013

**Avinash Chandra**  
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, 2013.

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

Place: Noida  
Date : May 30, 2013

**Gauri Shanker Pandey**  
Whole-Time Director

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

I, Gauri Shanker Pandey, 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, 2013 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, 2013

**Gauri Shanker Pandey**  
Whole-Time Director

## **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 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Delhi Stock Exchange Limited.

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 : 30.05.2013

(JAYANTI JAIN)  
PARTNER  
M.No-83450

## **INDEPENDENT AUDITORS REPORT**

To the Members of  
Frontline Securities Limited.

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

### **Management Responsibility**

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

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## **Report on other legal and Regulatory Requirement**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Place: Noida  
Date : 30.05.2013

(JAYANTI JAIN)  
PARTNER  
M.No-83450

**ANNEXURES TO THE AUDITOR'S REPORT OF FRONTLINE SECURITIES LIMITED FOR THE YEAR ENDED 31.03.2013 [REFERRED TO IN PARAGRAPH 1 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 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 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 has 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 not accepted any deposit from the public covered under section 58A and 58AA of the Companies Act, 1956.
- 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 31<sup>st</sup> March 2013 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 31<sup>st</sup> March 2013 and has not incurred cash loss during the current or previous financial year. 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

(JAYANTI JAIN)  
PARTNER  
M.No-83450

Place: Noida  
Date : 30.05.2013

**BALANCE SHEET AS AT 31ST MARCH 2013**

(Amount in Rs.)

	Note No.	As At 31.03.2013	As At 31.03.2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2.1	95,049,500	95,049,500
(b) Reserves and Surplus	2.2	281,367,497	251,936,856
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	2.3	22,500,000	22,500,000
(b) Long term provisions	2.4	228,726	345,300
(c) Other long term liabilities	2.5	259,000	100,000
<b>(3) Current Liabilities</b>			
(a) Trade payables	2.6	2,160,159	989,814
(b) Other current liabilities	2.7	1,443,119	1,216,601
(c) Short-term provisions	2.8	9,893,394	8,678,659
<b>Total</b>		<b>412,901,395</b>	<b>380,816,730</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	2.9	45,831,850	43,180,349
(b) Deferred tax Assets (Net)		841,954	618,760
(c) Non-current investments	2.10	200,352,935	123,205,392
(d) Long Term Loans and Advances	2.11	11,830,707	8,560,257
(e) Other non-current assets	2.12	5,000,000	5,000,000
<b>(2) Current assets</b>			
(a) Cash and bank balances	2.13	58,878,776	66,296,709
(b) Trade Receivables	2.14	722,784	1,565,764
(c) Short-term loans and advances	2.15	80,576,272	130,872,931
(d) Current investments	2.16	7,500,000	-
(e) Other Current Assets	2.17	1,366,117	1,516,568
<b>Total</b>		<b>412,901,395</b>	<b>380,816,730</b>
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 &amp; COMPANY

Chartered Accountants

Firm's Registration Number : 004208N

(RAKESH K. JAIN)  
Director(GAURI SHANKER PANDEY)  
Whole Time Director(JAYANTI JAIN)  
Partner  
M.No. 83450(AVINASH CHANDRA)  
Company SecretaryPlace : Noida  
Dated : 30.05.2013

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

(Amount in Rs.)

	Note No.	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
<b>I. Revenue:</b>			
a) Revenue from operations	2.18	51,212,229	34,373,054
b) Other Income	2.19	10,030,055	12,218,837
<b>Total Revenue</b>		<b>61,242,284</b>	<b>46,591,891</b>
<b>II. Expenses:</b>			
a) Employee benefit expense	2.20	3,022,986	2,838,094
b) Financial costs	2.21	5,544	8,523
c) Administrative & Other Expenses	2.22	4,665,012	2,377,170
d) Depreciation and amortization expense	2.9	390,498	408,130
<b>Total Expenses</b>		<b>8,084,040</b>	<b>5,631,917</b>
<b>III. Profit before tax</b>	<b>(I - II)</b>	<b>53,158,244</b>	<b>40,959,974</b>
<b>IV. Tax expense</b>			
(1) Current tax		15,352,620	9,810,860
(2) Deferred tax		(223,194)	(992,653)
(3) STT Charges		139,298	245,136
<b>V. Profit for the year</b>		<b>37,889,520</b>	<b>31,896,631</b>
<b>VI. Earning per equity share:</b>			
<b>Basic and diluted</b>		<b>3.99</b>	<b>3.36</b>
Weighted average number of equity shares		9,504,950	9,504,950
Face value per equity share (Rs.)		10	10

Significant Accounting Policy &amp; Notes to Accounts 1 &amp; 2

FOR AND ON BEHALF OF THE BOARD

"AS PER OUR REPORT ATTACHED OF EVEN DATE"

For J. JAIN &amp; COMPANY

Chartered Accountants

Firm's Registration Number : 004208N

(RAKESH K. JAIN)  
Director(GAURI SHANKER PANDEY)  
Whole Time Director(JAYANTI JAIN)  
Partner  
M.No. 83450(AVINASH CHANDRA)  
Company SecretaryPlace : Noida  
Dated : 30.05.2013

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

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
<b><u>A. Cash Flow from Operating Activities</u></b>		
Net Profit Before Taxation	53,158,244	40,959,974
<b>Adjustments for Profit &amp; Loss Account</b>		
Depreciation	390,498	408,130
Interest Income	(22,532,571)	(17,985,766)
Dividend Income	(1,301,612)	(1,968,541)
Profit on Sale of Investements (Net)	(8,410,443)	(10,236,652)
Sundry balances written off	315	107,885
Sundry balances written back	22,020	(294)
Non cash income	-	(34,933)
Loss / (Gain) on Sale of Fixed Assets	- (31,831,793)	102,621 (29,607,550)
Operating Profit before working capital Changes	<b>21,326,451</b>	<b>11,352,424</b>
<b>Adjustments for Working Capital</b>		
Trade Payables	1,170,345	(3,094,439)
Trade Recievables	842,980	-
Increase/ (Decrease) in Other current liabilites	226,519	771,310
Increase/ (Decrease) in Short term provisions	1,159,665	48,096
(Increase)/ Decrease in Short term loans & advances	50,296,659	(52,738,970)
(Increase)/ Decrease in Other current assets	150,451	369,109
<b>Cash Generated from Operations</b>	<b>53,846,619</b>	<b>(54,644,894)</b>
Advance Tax/ TDS Paid	(15,542,158)	(9,347,924)
<b>Net Cash From Operating Activities</b>	<b>59,630,912</b>	<b>(52,640,394)</b>
<b><u>B. Cash Flow from Investing Activites</u></b>		
(Purchase) / Sale of Fixed Assets [Net]	(3,042,000)	(38,039,845)
(Purchase) of Investments	(378,936,007)	(345,219,909)
Sale of investments	302,705,668	389,512,471
Long Term Loans and Advances	(3,270,450)	13,480,750

Interest Income	22,532,571	17,985,766
Dividend Income	<u>1,301,612</u>	<u>1,968,543</u>
<b>Net Cash Used in Investing Activities</b>	<b>(58,708,606)</b>	<b>39,687,776</b>
 <b><u>C. Cash Flow from Financing Activities</u></b>		
Dividends paid (including unclaimed)	(7,128,713)	(6,960,159)
Dividend Distribution Tax	(1,211,525)	(1,184,079)
Long Term Borrowings	<u>-</u>	<u>22,500,000</u>
<b>Net Cash Used in Financing Activities</b>	<b>(8,340,238)</b>	<b>14,355,762</b>
 <b>Net Cash Used</b>	 <b>(7,417,932)</b>	 <b>1,403,144</b>
<b>Cash and cash Equivalents at the beginning of the Yr.</b>	<b>66,296,709</b>	<b>64,893,565</b>
<b>Cash and cash Equivalents at the end of the Yr.</b>	<b>58,878,776</b>	<b>66,296,709</b>

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

(GAURI SHANKER PANDEY)  
Whole Time Director

(JAYANTI JAIN)  
Partner  
M.No. 83450

(AVINASH CHANDRA)  
Company Secretary

Place : Noida  
Dated : 30.05.2013

## **NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013**

### **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 Branch 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 issued 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 results 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 Provision for Current and Deferred 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 Employee Benefits**

Gratuity Benefits are recognized as an expense in the profit & loss account for the year in which the employee has rendered services. The Expense is recognized at the present value of the amounts payables determined using actuarial valuation techniques. Actuarial gains & losses in respect of Gratuity are charged to profit & loss account.

**1.15 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.

**1.16 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.

**1.17 Provisions, Contingent Liability & Contingent Asset**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

**2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013**

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

**2.1.SHARE CAPITAL****(Amount in Rs.)**

Particulars	As At 31.03.2013		As At 31.03.2012	
	Nos.	Amount	Nos.	Amount
<b>AUTHORISED</b>				
Equity Shares of Rs.10/- each	1,00,00,000	100,000,000	1,00,00,000	100,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID-UP</b>				
Equity shares of Rs.10/- each fully paid up	95,04,950	95,049,500	95,04,950	95,049,500
<b>Total</b>	<b>95,04,950</b>	<b>95,049,500</b>	<b>95,04,950</b>	<b>95,049,500</b>

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 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, 2013 and March 31, 2012 is set out below -

**(Amount in Rs.)**

Particulars	As At 31.03.2013		As At 31.03.2012	
	Nos.	Amount	Nos.	Amount
No. of share at the beginning	9,504,950	95,049,500	9,504,950	95,049,500
Add - Shares issued during the year	-	-	-	-
No. of share at the end	<u>9,504,950</u>	<u>95,049,500</u>	<u>9,504,950</u>	<u>95,049,500</u>

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

Particulars	As At 31.03.2013		As At 31.03.2012	
	Nos.	%	Nos.	%
Mr Rakesh K Jain	1,405,910	14.79	930,910	9.79
Hope Consultants Limited	3,915,043	41.19	3,915,043	41.19
Frontline Capital Services Limited	1,130,000	11.89	1,605,000	16.89
<b>Total</b>	<b>6,450,953</b>	<b>67.87</b>	<b>6,450,953</b>	<b>67.87</b>

## 2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

(Amount in Rs.)

Particulars	As At 31.03.2013	As At 31.03.2012
<b>2.2 RESERVES AND SURPLUS</b>		
<b>A) General Reserves</b>		
Opening Balance	5,047,852	5,047,852
(+) Current year transfer	-	-
<b>Closing Balance</b>	<b>5,047,852</b>	<b>5,047,852</b>
<b>B) Security Premium Account</b>		
Opening Balance	23,754,125	23,754,125
(+) Current year transfer	-	-
<b>Closing Balance</b>	<b>23,754,125</b>	<b>23,754,125</b>
<b>C) RBI Reserve</b>		
Opening Balance	56,513,387	50,134,061
(+) Current year transfer	7,577,904	6,379,326
<b>Closing Balance</b>	<b>64,091,291</b>	<b>56,513,387</b>
<b>D) Surplus</b>		
Opening Balance	166,621,492	149,893,684
(+) Net Profit/ (Net Loss) for the current year	37,889,520	31,896,631
(-) Proposed Dividend	(7,128,713)	(7,128,713)
(-) Proposed Dividend Tax	(1,211,525)	(1,156,455)
(-) Transfer to RBI Reserves	(7,577,904)	(6,379,326)
(-) Contingency Provision against Standard Assets	116,574	(100,593)
(-) Excess MAT credit of earlier year written off in Current Year	-	(403,736)
(-) Short provision of income tax made in the previous year	(235,215)	-
<b>Closing Balance</b>	<b>188,474,229</b>	<b>166,621,492</b>
<b>Grand Total</b>	<b>281,367,497</b>	<b>251,936,856</b>

The Board of Directors at its meeting held on May 30, 2013 has recommended a final dividend of 7.5% (Rs. 0.75 per equity share of Rs.10/- each) for the F.Y. 2012-13 subject to the approval of shareholder.

**2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013**

(Amount in Rs.)

Particulars	As At 31.03.2013	As At 31.03.2012
<b>2.3 LONG TERM BORROWING</b>		
Payable to Greater Noida Authority for Land	22,500,000	22,500,000
	<b>22,500,000</b>	<b>22,500,000</b>
<b>2.4 LONG TERM PROVISIONS</b>		
Contingency Provision against Standard Assets	228,726	345,300
<b>Total</b>	<b>228,726</b>	<b>345,300</b>
<b>2.5 OTHER LONG TERM LIABILITIES</b>		
Security Deposit	259,000	100,000
	<b>259,000</b>	<b>100,000</b>
<b>2.6 TRADE PAYABLE</b>		
Sundry Creditors	120,894	26,462
Commission & Brokerage Payable (Net)	2,039,265	963,352
	<b>2,160,159</b>	<b>989,814</b>
<b>2.7 OTHER CURRENT LIABILITIES</b>		
Unclaimed Dividend	746,133	611,670
Interest Income received but not accrued	696,986	604,931
	<b>1,443,119</b>	<b>1,216,601</b>
<b>2.8 SHORT TERM PROVISIONS</b>		
Expenses Payable	1,178,159	275,477
TDS payable	275,801	64,076
Gratuity Payable	99,196	53,938
Proposed Dividend	7,128,713	7,128,713
Corporate Dividend tax	1,211,525	1,156,455
	<b>9,893,394</b>	<b>8,678,659</b>

## 2.9 FIXED ASSETS

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	Rate of Depreciation as per SLM	As At 1.04.2012	Addition During The Year	Deduction During The Year	As At 31.03.2013	As At 1.04.2012	Provided During The Year	Adjusted During The Year	As At 31.03.2013	As At 31.03.2013	As At 31.03.2012
(i) Tangible Assets											
Leasehold Land		37,711,573	2,925,000	-	40,636,573	-	-	-	-	40,636,573	37,711,573
“Building Work in Progress on Leasehold Land”		-	117,000	-	117,000	-	-	-	-	117,000	-
Building	1.63%	4,319,000	-	-	4,319,000	668,619	70,400	-	739,018	3,579,982	3,650,381
Office Equipments	4.75%	685,156	-	-	685,156	319,672	32,545	-	352,217	332,939	365,484
Computer Equipments	16.21%	419,579	-	-	419,579	101,684	68,014	-	169,698	249,881	317,895
Furniture & Fixture	6.33%	238,610	-	-	238,610	62,864	15,104	-	77,968	160,642	175,746
Vehicles	9.50%	613,361	-	-	613,361	140,287	58,269	-	198,557	414,804	473,074
(ii) Intangible Assets											
Software	16.21%	901,700	-	-	901,700	415,506	146,166	-	561,672	340,028	486,196
<b>Total</b>		<b>44,888,979</b>	<b>3,042,000</b>	<b>-</b>	<b>47,930,979</b>	<b>1,708,632</b>	<b>390,498</b>	<b>-</b>	<b>2,099,130</b>	<b>45,831,850</b>	<b>43,180,349</b>
<b>PREVIOUS YEAR</b>		<b>7,161,078</b>	<b>38,089,845</b>	<b>361,943</b>	<b>44,888,979</b>	<b>1,509,824</b>	<b>408,130</b>	<b>209,332</b>	<b>1,708,632</b>	<b>43,180,349</b>	<b>5,651,254</b>

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

## 2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

(Amount in Rs.)

Scrip Name	Face Value	As At 31.03.2013		As At 31.03.2012	
		Nos. of Shares/Units	Value	Nos. of Shares/Units	Value

## 2.10 NON CURRENT INVESTMENTS

## (i) Unquoted Investments

Systema Shyam Teleservices Limited	10	154,830	1,228,100	154,830	1,228,100
Jord Eng	10	100	-	100	-
Ballmer lawerie cont. ltd	10	200	210	200	210
<b>Total (A)</b>			<b>1,228,310</b>		<b>1,228,310</b>

## (ii) Quoted (Non Trade Investments)

Ashok Leyland Limited	1	-	-	20,000	-
Andhara Cement Limited	10	44,784	413,122	-	-
Asian Paints Limited	10	100	405,498	-	-
BASF India Limited	10	800	481,951	-	-
Bharat Petroleum Corporation Limited	10	2,000	-	-	-
Cairn India Ltd	10	2,000	617,025	-	-
Chambal fertilizers & Chemicals Ltd	10	10,000	567,233	-	-
Corporation Bank Ltd	10	2,500	1,011,226	-	-
Exide Industries Ltd	1	6,000	833,340	-	-
Gateway Distriparks Ltd	10	8,000	1,079,296	-	-
Gold Bees		15	41,654	-	-
Hindustan Zinc Ltd	2	7,500	901,368	-	-
Pidilite Industries Limited	1	2,000	382,702	-	-
Shree Renuka Sugars Limited	1	31,000	1,215,544	50,000	1,271,941
TV 18 Broadcast Limited	2	30,000	749,241	5,610	676,763
Seimens Limited	2	1,000	522,809	-	-
Uflex Limited	10	-	-	12,114	1,544,088
Ruchira Papers Ltd	10	20,450	327,943	-	-
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	4,000	52,961	15,750	255,938
Philips Carbon Black Limited	10	-	-	5,000	492,570
Bell Ceramic Limited	10	-	-	20,989	619,485
Punjab & Sind Bank	10	12,500	804,399	5,000	405,811
Lanco Infratech Limited	1	-	-	50,000	1,033,607
Videocon Industries Limited	10	-	-	1,110	249,750
Hindustan Petro Corp Limited	10	-	-	5,000	1,312,185
Hindalco Industries Ltd	1	-	-	3,050	402,334
Oil India Limited	10	3,000	-	3,000	-
Jaiprakash Associates Limited	2	-	-	41,350	3,794,576
HDFC Limited	2	-	-	3,000	1,975,229
Jindal Polyfilms Limited	10	-	-	12,500	1,927,061
Oil & Natural Gas Corporation Limited	10	-	-	2,000	559,994
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	13,600	11,999,522	20,600	20,126,391
Simbhaoli Sugars Limited	10	7,500	247,371	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
GHCL Limited	10	-	-	20,000	693,620
Rane Brake Lining Ltd	10	1,167	131,441	2,289	252,581
IDBI Bank Limited	10	25,000	2,704,322	34,500	4,154,448
State Bank of India	10	-	-	2,000	4,358,717
Value Industries Limited	10	-	-	26,934	667,807
ITC Limited	1	-	-	5,000	-
EIH Limited	2	25,500	2,022,760	20,500	1,693,208
Cummins India Limited	2	-	-	8,000	2,033,369
Network 18 Media & Inv Limited	5	-	-	1,172	144,507
Kothari Petro Chemicals Limited	10	-	-	1,548	11,041
Indian Oil Corporation Limited	10	-	-	5,000	1,336,539
Emco Limited	2	-	-	25,000	908,969
Zodiac Clothing Company Limited	10	-	-	5,000	1,018,298
<b>TOTAL (B)</b>			<b>27,522,323</b>		<b>63,438,154</b>



## 2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

(Amount in Rs.)

Scheme Name	As At 31.03.2013		As At 31.03.2012	
	Nos. of Shares/Units	Value	Nos. of Shares/Units	Value
<b>MUTUAL FUND</b>				
<b>LIQUID/DEBT-GROWTH</b>				
UTI Liquid Cash Plan Institutional - Growth Option	-	-	6,082	10,700,000
Canara Robeco Floating Rate Short Term Growth Fund	128,320	2,280,605	-	-
Reliance Monthly Income Plan	-	-	37,939	750,000
Canara Robeco Treasury Advantage Super Instt Growth Fund	24,013	41,650,000	-	-
DWS INSTA CASH PLUS FUND SUPER INSTITUTIONAL PLAN BONUS OPTION	6,997	-	-	-
HDFC Cash Management Fund - Treasury Advantage Plan - Retail - Growth	77,776	1,887,749	-	-
HDFC MF MONTHLY INCOME PLAN -GROWTH	-	-	101,367	2,295,089
RELIANCE MEDIUM TERM FUND GROWTH PLAN	214,681	5,030,450	-	-
RELIANCE MONEY MANAGER FUND - INSTITUTIONAL OPTION - GROWTH PLAN	16,551	25,766,425	-	-
SBI Short Horizon Debt Fund - Ultra Short Term Fund - Retail Plan - Growth	3,154	4,550,000	-	-
UTI TREASURY ADVANTAGE FUND INSTITUTIONAL PLAN (GROWTH OPTION)	36,634	56,633,470	-	-
HSBC MIP- Regular-Growth	-	-	105,565	1,500,000
HSBC MIP-Saving-Growth	-	-	64,848	1,000,000
Canara Robeco Treasury Advantage Institutional	-	-	13,214	23,062,206
<b>Bond Fund</b>				
HSBC Flexi Debt Fund - Growth	322,475	5,000,000	-	-
Reliance Dynamic Bond-Growth Plan-Growth Option	333,738	5,000,000	-	-
<b>FMP Mutual Fund</b>				
Reliance Fixed Horizon Fund - XXIII - Series 2 - Growth Option	700,000	7,000,000	-	-

**MUTUAL FUND-EQUITY**

Franklin India Bluechip	-	-	13,905	499,999
ICICI Prudential Dynamic Plan-Div	26,961	500,000	26,961	500,000
Reliance Diversified Power Sec Fund-Div	-	-	13,125	500,000
Reliance Pharma Fund	-	-	68,684	2,677,584
HDFC Top 200 Fund - Dividend	51,539	2,400,000	51,539	2,400,000
<b>Total (C)</b>		<b>157,698,699</b>		<b>45,884,878</b>

**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
Tata Capital Financial Services Ltd	1,235	1,249,553	-	-
Central govt.Loan 07003 GOI	62,000	6,244,801	62,000	6,244,801
<b>Total (D)</b>		<b>13,903,603</b>		<b>12,654,050</b>

**Total (A+B+C+D)****200,352,935****123,205,392**

Investment of shares has been taken as long term investments as the intention of management at the time of purchase is 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.

**Notes:**

- Aggregate cost of unquoted investment is Rs. 1,228,310/- (Previous year Rs 1,228,310/-)
- Aggregate cost of quoted investment is Rs. 27,522,323/- (previous year Rs 63,438,154/-)
- Aggregate cost of mutual fund is Rs. 157,698,699/- (Previous year Rs. 45,884,878/-)
- Market value of quoted Investment is Rs. 26,181,394 /-(Previous year Rs. 64,270,749/-)
- Market value of Mutual Fund is Rs. 162,248,117/- (Previous Year Rs. 46,507,615/-)
- No provision has been made for reduction in market value as the same is temporary in nature.

**2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013**

(Amount in Rs.)

Particulars	As At 31.03.2013	As At 31.03.2012
<b>2.11 LONG TERM LOANS AND ADVANCES</b>		
Loans - Considered as good	11,830,707	8,560,257
	<u>11,830,707</u>	<u>8,560,257</u>
<b>2.12 OTHER NON CURRENT ASSETS</b>		
Margin Money Paid	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>
<b>2.13 CASH AND BANK BALANCES</b>		
a. Cash and cash equivalents		
i. Balances with banks		
In Current Account	4,222,739	1,780,159
ii. Cash in hand	9,904	4,880
	<u>4,232,643</u>	<u>1,785,039</u>
b. Other Bank balances		
i. In Unpaid Dividend Account	746,133	611,670
ii. Other Fixed deposits	53,900,000	63,900,000
	<u>58,878,776</u>	<u>66,296,709</u>
<b>2.14 TRADE RECIEVABLES</b>		
Sundry Debtors	722,784	1,565,764
	<u>722,784</u>	<u>1,565,764</u>
<b>2.15 SHORT TERM LOAN &amp; ADVANCES</b>		
Loan & Advances Recoverable in Cash or in Kind or for value to be received and consider as good	70,876	182,366
Advance Tax/TDS	845,654	1,130,867
Loan - consider as good	79,659,742	129,559,697
	<u>80,576,272</u>	<u>130,872,931</u>

## 2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

(Amount in Rs.)

Scheme Name	As At 31.03.2013		As At 31.03.2012	
	Nos. of Units	Value	Nos. of units	Value
<b>2.16 CURRENT INVESTMENTS</b>				
<b>MUTUAL FUND LIQUID - FMP</b>				
HDFC FMP 371D July 2012 Growth Option	500,000	5,000,000	-	-
HDFC FMP 371D September 2012 Growth Option	250,000	2,500,000	-	-
		<b>7,500,000</b>		<b>-</b>

a. Aggregate cost of mutual fund is Rs. 75,00,000/- (Previous year NIL)

b. Market value of Mutual Fund is Rs. 7,887,250/- (Previous Year NIL)

## 2.17 OTHER CURRENT ASSETS

(Amount in Rs.)

Particulars	As at	As at
	31.03.2013	31.03.2012
Prepaid Exp	1,273	1,206
Security Deposits	20,600	42,620
Interest Accrued But Not received	1,344,244	1,472,743
	<b>1,366,117</b>	<b>1,516,568</b>

## 2.18 INCOME FROM OPERATION

(Amount in Rs.)

Particulars	For the Year ended	For the Year ended
	31.03.2013	31.03.2012
Commission & Brokerage	28,021,113	15,767,288
Income from consultancy	470,000	620,000
Interest		
- Tax Free Interest	34,405	34,595
- On Loans & Bonds	17,091,191	11,289,073
- On Bank Deposits	5,406,975	6,662,098
Profit / (Loss) from Speculation (Net)	188,545	-
	<b>51,212,229</b>	<b>34,373,054</b>

**2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013****2.19 OTHER INCOME****(Amount in Rs.)**

Particulars	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Rent Recieved	318,000	-
Miscellaneous Income	-	13,645
Profit on Sale of Investment (Net)	8,410,443	10,236,652
Dividend on Non Trade Securities	1,301,612	1,968,540
	<u>10,030,055</u>	<u>12,218,837</u>

**2.20 EMPLOYEES BENEFIT EXPENSES****(Amount in Rs.)**

Particulars	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Salary, Wages & Other Benefits	2,789,466	2,622,462
Contribution to Provident Fund & Other Funds	108,383	105,108
Staff Welfare	25,941	72,004
Gratuity	99,196	38,520
	<u>3,022,986</u>	<u>2,838,094</u>

**2.21 FINANCIAL CHARGES****(Amount in Rs.)**

Particulars	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Bank Charges	5,544	8,523
	<u>5,544</u>	<u>8,523</u>

**2.22 ADMINISTRATIVE & OTHER EXPENDITURE**

Printing & Stationery	148,248	151,278
Advertisement	193,180	55,445
Postage & Telegram	41,213	75,119
Sundry Balance w/off	315	10,128
Repairs & Maintenance	59,096	116,089
Office Maintenance Exp.	30,387	28,170
Software Expenses	56,516	322,680
Water and Electricity Expenses	-	3,220
Travelling & Conveyance	135,899	129,009

Payment to Auditors				
-Statutory Audit Fee	18,500		18,000	
-Tax Audit Fee	7,500	26,000	7,000	25,000
Professional Charges		3,358,333		723,138
Rent Exp		120,000		120,000
Telephone & Internet Expenses		42,253		52,528
AGM Expenses		191,520		153,518
Vehicle Running & Maintenance Expenses		38,399		44,180
Loss on sale of Car		-		102,621
Other Expenses		223,653		265,047
		<b>4,665,012</b>		<b>2,377,170</b>

## 2.23 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

#### (v) Relatives of individual having significant influence or control

Mrs Prerna Jain

Ms Vidha Jain

Ms Aridhi Jain

#### (vi) Key Management Personnel:

Mr. Gauri Shanker Pandey

Mrs. Sarabjeet Kaur (resigned w.e.f. 16.03.2013)

Mr. Avinash Chandra

**(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 2012-2013		For the year 2011-2012	
	Paid	Received	Paid	Received
1. Remuneration paid to key managerial personnel				
Sarabjeet Kaur*	261,121	-	447,871	-
Gauri Shanker Pandey**	34,950	-	-	-
Avinash Chandra***	8,453	-	-	-
2. Rent paid				
Hope Consultants Limited	120,000	-	120,000	-
3. Brokerage paid				
Frontline Capital Services Limited	231,377	-	554,495	-
4. Software purchase				
FSL Software Technologies Limited	-	-	209,000	-
5. Interest Income on cash margin				
Frontline Capital Services Limited	-	484,521	-	439,013
6. Loan and advances given				
FSL Consultants Private Limited	-	-	-	18,520
FSL Education Services Private Limited	-	-	-	19,480
7. Rent Received				
Ms. Aridhi Jain	-	318,000	-	-
6. Professional Charges				
"Front Investments & Financial Consultants Private Limited"	75,000	-	-	-
	<b>730,901</b>	<b>802,521</b>	<b>1,331,366</b>	<b>477,013</b>

\* Mrs Sarabjeet Kaur resigned from the post of Whole Time Director & Company Secretary w.e.f 16.03.2013

\*\* Mr. Gauri Shanker Pandey has been appointed as Whole Time Director w.e.f 16.03.2013. He has been paid an amount of Rs. 7,90,500/- for the F.Y. 2012-13 as salary which includes amount of Rs.34,950/- paid to him as remuneration for the period 16.03.2013 to 31.03.2013.

\*\*\* Mr. Avinash Chandra has been appointed as Company Secretary & Compliance Officer w.e.f 16.03.2013. He has been paid an amount of Rs. 74,312/- for the period from 01.11.2012 to 31.03.2013 as salary which includes amount of Rs.8,453/- paid to him as remuneration for the period 16.03.2013 to 31.03.2013.

## **2.24 QUANTITATIVE DETAILS**

The Company is engaged in financial consultancy, distribution of financial products and investments in financial securities. As the company is neither a manufacturing company nor a trading company therefore the requirement of Quantative Detail of Purchases and Sales are not applicable.

## **2.25 DUES TO MICRO SMALL AND MEDIUM ENTERPRISES**

The company has no dues to micro and small enterprises during the year ended 31 March, 2013 and March 31, 2012.

## **2.26 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
<b>Actuarial assumptions</b>				
Discount Rate Per Annum	8%		8%	
Salary Escalation	6%		6%	
<b>Reconciliation of opening and closing balances of obligation</b>				
Obligation at beginning of the year		332,045		270,973
Current Service Cost		363,916		32,006
Interest Cost		26,564		21,678
Actuarial (gain) /loss		(225,001)		7,388
Less: Benefits paid		(8,654)		-
<b>Obligation at the end of the year</b>		<b>488,870</b>		<b>332,045</b>
<b>Reconciliation of opening and closing balances of fair value assets</b>				
Fair value of plan assets at beginning of the year		330,075		289,788
Employer contribution		35,886		13,191
Less: Benefits Paid		(8,654)		-
Add: Expected return on plan assets		32,367		27,096
<b>Fair value of plan assets at the end of the year</b>		<b>389,674</b>		<b>330,075</b>
<b>Amount Recognized in Balance Sheet</b>				
Present value of obligation		488,870		332,045
Fair value of plan assets at the end of the year		389,674		330,075
<b>Amount recognized in Balance Sheet (Unfunded)</b>		<b>99,196</b>		<b>1,970</b>
<b>Gratuity cost for the period</b>				
Current Service Cost		363,916		32,006
Interest Cost		26,564		21,678
Expected return on plan assets		(32,367)		(27,096)
Actuarial (gain) /loss		(225,001)		7,388
<b>Net Gratuity cost</b>		<b>133,112</b>		<b>33,976</b>

**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 ENDED MARCH 31, 2013

## 2.27 DEFERRED TAX BALANCES

(Amount in Rs.)

Particulars	For the Year ended 31.03.2013	For the Year ended 31.03.2012
a. Deferred Tax Liabilities (Net)		
(i) Depreciation	-	-
(ii) Others	-	-
	-	-
b. Deferred Tax Assets (Net)		
(i) Depreciation	2,036,914	1,890,750
(ii) Others	(1,194,960)	(1,271,990)
	<b>841,954</b>	<b>618,760</b>

## 2.28 EARNING PER SHARE

(Amount in Rs.)

Particulars	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Net Profit for the year as per statement of Profit & Loss	37,889,520	31,896,631
Weighted average number of shares	9,504,950	9,504,950
Earning per share basic and diluted	3.99	3.36
Face value per equity share	10	10

**2.29 [Schedule to the Balance sheet of a Non Banking Financial Company as required in terms of paragraph 13 of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007]**

LIABILITIES SIDE			
1	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
a.	Debentures (other than falling within the meeting of public deposits)		
	- Secured	-	-
	- Unsecured	-	-
b.	Deferred Credits	22,500,000	-
c.	Term Loans	-	-
d.	Inter-corporate loans and borrowings	-	-
e.	Commercial Paper	-	-
f.	Public Deposits (Refer note 1 below)	-	-
g.	Other Loans – Cash credit	-	-
2	Break up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid);	Amount Outstanding	Amount Overdue
a.	In the form of unsecured debentures	-	-
b.	In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	-	-
c.	Other public deposits	-	-

<b>ASSET SIDE</b>		
<b>3</b>	<b>Break up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>	<b>Amount Outstanding</b>
a	Secured	-
b	Unsecured	91,490,449
<b>4</b>	<b>Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities</b>	<b>Amount Outstanding</b>
i.	Lease Assets including lease rental under sundry debtors:	
a.	Finance Lease	-
b.	Operating Lease	-
ii.	Stocks on hire including hire charges under sundry debtors:	
a.	Assets on hire	-
b.	Repossessed Assets	-
iii.	Other Loans counting towards AFC activities:	
a.	Loans where assets have been repossessed	-
b.	Loans other than (a) above	-
<b>5</b>	<b>Break up of Investments:</b>	<b>Amounts</b>
	<b>Current Investments</b>	
<b>1</b>	<b>Quoted</b>	
i.	Shares - Equity	-
	- Preference	-
ii.	Debentures and Bonds	-
iii.	Units of mutual funds	7,500,000
iv.	Government Securities	-
v.	Others	-
<b>2</b>	<b>Unquoted</b>	
i.	Shares - Equity	-
	- Preference	-
ii.	Debentures and Bonds	-
iii.	Units of mutual funds	-
iv.	Government Securities	-
v.	Others	-
	<b>Long Term Investments</b>	
<b>1</b>	<b>Quoted</b>	
i.	Shares - Equity	27,522,323
	- Preference	-
ii.	Debentures and Bonds	13,903,603
iii.	Units of mutual funds	157,698,699
iv.	Government Securities	-
v.	Others	-
<b>2</b>	<b>Unquoted</b>	
i.	Shares - Equity	1,228,310
	- Preference	-
ii.	Debentures and Bonds	-
iii.	Units of mutual funds	-
iv.	Government Securities	-
v.	Others	-

<b>6 Borrower group wise classification of all leased assets, stock on hire and loans and advances (Refer note 2 below);</b>				
<b>Category</b>		<b>Amount net of provision</b>		
		<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
1	Related Parties**	-	-	-
a.	Subsidiaries	-	-	-
b.	Companies in the same group	-	-	-
c.	Other than related parties	-	91,490,449	91,490,449
	<b>Total</b>	<b>-</b>	<b>91,490,449</b>	<b>91,490,449</b>
<b>7 Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (Refer note 3 below)</b>				
<b>Category</b>		<b>Market Value / Break up of fair value or NAV</b>	<b>Book Value (Net of Provisions)</b>	
1	Related Parties**	-	-	
a.	Subsidiaries	-	-	
b.	Companies in the same group	-	-	
c.	Other related parties	-	-	
2	Other than related parties	211,768,513	207,852,935	
	<b>Total</b>	<b>211,768,513</b>	<b>207,852,935</b>	
** As per Accounting Standard issued by the Institute of Chartered Accountants of India ('ICAI').				
<b>8 Other Information</b>				<b>Amount</b>
i.	Gross Non-Performing Assets			
a.	Related Parties			-
b.	Other than related parties			-
ii.	Net Non-Performing Assets			
a.	Related Parties			-
b.	Other than related parties			-
iii.	Assets acquired in satisfaction of debt			-
<b>Notes:</b>				
1	As defined in paragraph 2(1)(xii) of the Non- Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998			
2	Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998			
3	All Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India ('ICAI') are applicable including for calculation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term of current in category 5 above.			

FOR AND ON BEHALF OF THE BOARD

(RAKESH K. JAIN)  
Director(GAURI SHANKER PANDEY)  
Whole Time Director

"AS PER OUR REPORT ATTACHED OF EVEN DATE"

For J. JAIN &amp; COMPANY

Chartered Accountants

Firm's Registration Number : 004208N

(JAYANTI JAIN)  
Partner  
M.No. 83450(AVINASH CHANDRA)  
Company SecretaryPlace : Noida  
Dated : 30.05.2013

# 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, September 16, 2013.
  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 to 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 ..... in the district of  
resident..... 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 19<sup>th</sup> Annual General Meeting of the Company to be held on Monday  
the 23<sup>rd</sup> September, 2013 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 ..... 2013  
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 19<sup>th</sup> Annual General Meeting held at Air Force Auditorium, Subroto Park, New Delhi on Monday, the 23<sup>rd</sup> September, 2013 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.*





**BOOK POST**



*If undelivered please return to :*

**F R O N T L I N E**  
**SECURITIES LIMITED**

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