

FRONTLINE SECURITIES LIMITED

Corporate Identity Number: L65100DL1994PLC058837

Regd. Office: M-6, 11th Floor, M Block Market,
Greater Kailash -II, New Delhi- 110048

Corporate Office: B-22, Sector-4, Noida- 201301

Tel: +91-120-2534066 / 67 / 68; **Fax:** +91-120-2534111

Website:www.fslindia.com; **E-mail:**secretarial@fsltechnologies.com

**POSTAL BALLOT NOTICE
[PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013, READ WITH THE COMPANIES
(MANAGEMENT AND ADMINISTRATION) RULES, 2014]**

Dear Member(s),

NOTICE is hereby given pursuant to Section 108, 110, and other applicable provisions of the Companies Act, 2013 (the "Act"), read with the Companies (Management and Administration) Rules, 2014, (the "Management Rules"), including any statutory modifications or re-enactment thereof for the time being in force, and the other applicable provisions, if any, seeking the approval of the Members of Frontline Securities Limited (the "Company") to the proposed Special Resolution appended below by way of Postal Ballot / electronic voting.

An Explanatory Statement pursuant to Section 102, 110 and applicable provisions if any, of the Act pertaining to the said resolutions setting out the material facts and the reasons thereof is annexed to this Postal Ballot Notice for your consideration. The said resolution and explanatory statement are being sent to you along with a postal ballot form (the "Postal Ballot Form") for your consideration.

Pursuant to Rule 22(5) of the Management Rules, the Company has appointed Mr. MohitKhemka, Practicing Chartered Accountant, (Membership No.410605), partner in VMG & Company, Practicing Chartered Accountant Firm having FRN: 024257N, as the Scrutinizer for the Postal Ballot process. The Scrutinizer is willing to be appointed and be available for the purpose of ascertaining the requisite majority.

The Members holding equity shares of the Company are requested to carefully read the instructions enclosed with the Postal Ballot Form and return the said Form duly completed in the attached self-addressed, postage prepaid envelope, if posted in India, so as to reach the Scrutinizer at A-44A, Lower Ground Floor, Behind McDonald, Sector-16, Noida- 201301, not later than close of working hours (5.00 pm IST) on May 07, 2019. Please note that any Postal Ballot Form(s) received after the said date will be treated as not having been received. Also, the e-voting module will be disabled after the business hours i.e. 5.00 pm IST on May 07, 2019 for voting by the Members holding equity shares of the Company. The postage will be borne and paid for by the Company.

In accordance with Regulation 44(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Act read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to offer facility of voting by electronic means ("e-voting") to its Members to enable them to cast their votes through e-voting instead of returning duly filled Postal Ballot forms. E-Voting facility is also provided to all Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Forms. Members holding equity shares of the Company are requested to follow the procedure as stated in the notes and instructions for casting of votes by e-voting. The Members holding equity shares of the Company have both the options of voting i.e. by e-voting and through Postal Ballot Form. Kindly note that while exercising their vote, Members holding equity shares of the Company can opt for only one of the two modes of voting i.e. either through Postal Ballot Form or e-voting. If you are opting for e-voting, then do not vote through Postal Ballot Form and vice versa. In case member votes through both the modes, voting done by e-voting shall prevail and votes cast through postal ballot will be treated as invalid.

The Scrutinizer will submit his report to the Chairman or in his absence a person authorized by him / the Board in writing, after completion of scrutiny of Postal Ballot (including e-voting) in a fair and transparent manner. The results of the Postal Ballot will be announced on May 09, 2019 and will be displayed at the website of the Company i.e., www.fslindia.com and on the website of M/s. Link Intime India Private Limited and communicated to BSE Limited (the "BSE"), being the stock exchange where the equity shares of the Company are listed.

The date of declaration of the results of the Postal Ballot i.e. May 09, 2019 shall be the date on which the Resolution would be deemed to have passed, if approved by the requisite majority. The Members are requested to consider and, if thought fit, pass the following resolution:

SPECIAL BUSINESS:

1. BUYBACK OF EQUITY SHARES

The Board of Directors of the Company ("Board") at its meeting held on Tuesday, 26th March, 2019 has, subject to approval of shareholders of the Company by way of special resolution through Postal Ballot ("Special Resolution") and subject to approval from statutory, regulatory or governmental authorities as may be required under applicable laws, approved the proposal to Buyback fully paid up Equity Shares of Rs. 5/- (Rupees Five) each of the Company ("Buyback") from the existing Equity shareholders of the Company, including promoter and promoter group shareholders as on record date, which will be announced in due course of time, on a proportionate basis through "Tender Offer" method as prescribed under the Securities and Exchange Board of India ("Buyback of Securities") Regulations, 2018 (the "SEBI Buyback Regulations") at a price of Rs. 40.00/- (Rupees Forty Only) per equity share ("Buyback Price"), aggregating to an amount not exceeding Rs. 7,56,01,080/- (Rupees Seven Crores Fifty Six Lakhs One Thousand and Eighty Only). The Company proposes to Buyback upto 18,90,027 (Eighteen Lakhs Ninety Thousand Twenty Seven Only) Equity Shares of Rs. 5/- (Rupees Five) each (representing 15.94% of the total paid up Equity Share Capital of the Company as on March 31, 2018) at the Buyback Price.

RESOLUTION NO. 1: APPROVAL FOR BUYBACK OF EQUITY SHARES

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Article 134 of the Articles of Association of the Company and the provisions of Sections 68, 69,70 and 110 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (**“Act”**) the Companies (Share Capital and Debentures) Rules, 2014 (**“Share Capital Rules”**), the Companies (Management and Administration) Rules, 2014 (**“Management Rules”**), including any statutory modifications or re-enactment thereof for the time being in force, and in compliance with the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**“SEBI Buyback Regulations”**), including any amendments, statutory modifications or re-enactments for the time being in force, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (the **“Board”**, which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the approval of the Members be and is hereby accorded for the Buyback by the Company of up to 18,90,027 (Eighteen Lakhs Ninety Thousand Twenty Seven Only) fully paid-up Equity Shares of face value Rs.5/- (Rupees Five) each of the Company (**“Equity Shares”**) representing upto 15.94% of the total paid-up Equity Share capital of the Company as on March 31, 2018, at a price of **Rs. 40.00/-** (Rupees Forty only) per Equity Share (**“Buyback Price”**) payable in cash for an aggregate amount of up to **Rs.7,56,01,080/-** (Rupees Seven Crores Fifty Six Lakhs One Thousand and Eighty Only) excluding any expenses incurred or to be incurred in relation to the Buyback viz. brokerage, applicable taxes such as securities transaction tax, goods and service tax, and other incidental and related expenses (**“Buyback Size”**), being 24.99% of the sum of fully paid-up Equity Share Capital and free reserves of the Company as per its latest audited financial statements, which is within the prescribed limit of 25% of the fully paid-up Equity Share Capital and free reserves of the Company as per its latest audited financial statements, for the financial year ended March 31, 2018, through the **“Tender Offer”** route as prescribed under the SEBI Buyback Regulations using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 or such other mechanism as may be applicable, on a proportionate basis, from the equity shareholders / beneficial owners of the Equity Shares of the Company as on the Record Date, provided 15% (Fifteen Percent) of the number of equity shares which the Company proposes to buyback or number of equity shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders, as prescribed under Regulation 6 of the SEBI Buyback Regulations (**“Buyback”**).

RESOLVED FURTHER THAT the Buyback shall be made out of the free reserves based on the audited accounts of the Company for the financial year ended March 31, 2018 and the payments be made out of the Company's current balances of cash and cash equivalents and other current investments and/ or internal resources of the Company.

RESOLVED FURTHER THAT all the equity shareholders of the Company as on the Record Date will be eligible to participate in the Buyback including Promoters and Promoter Group of the Company.

RESOLVED FURTHER THAT the Buyback from the shareholders who are residents outside India including Foreign Corporate Bodies (including erstwhile Overseas Corporate Bodies) and Foreign Institutional Investors, shall be subject to such approvals, if any and to the extent required from the concerned authorities including approvals from the Reserve Bank of India under Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, and that such approvals shall be required to be taken by such non-resident shareholders.

RESOLVED FURTHER THAT nothing contained herein above shall confer any right on the part of any shareholder to offer and/or any obligation on the part of the Company or the Board or the Buyback Committee to Buyback any shares, and/or impair any power of the Company or the Board or the Committee to terminate any process in relation to such Buyback, if so permissible by law.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the power(s) conferred herein above as it may in its absolute discretion deem fit, to any Committee(s) / Director(s) / Officer(s) / Authorized Representative(s) of the Company in order to give effect to the aforesaid resolution, including but not limited to finalizing the terms of the Buyback like Record Date, time frame for completion of Buyback; appointing Merchant Bankers, Brokers, Lawyers, Registrars, Scrutinizers, Escrow Agents, and other advisors / consultants / intermediaries / agencies, as may be required, for the implementation of the Buyback; finalizing their terms of appointment including the fees payable and executing agreements; initiating all necessary actions for preparation and issue of various documents including Public Announcement, Draft Letter of Offer / Letter of Offer, and all other documents with respect to the Buyback; making all necessary applications to the appropriate authorities for their approvals including but not limited to approvals as may be required from the Securities and Exchange Board of India; preparing, signing and filing of the Public Announcement, Draft Letter of Offer / Letter of Offer with the Securities and Exchange Board of India, the Stock Exchanges and other appropriate authorities; obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable laws; entering into escrow arrangements as required in terms of the SEBI Buyback Regulations; opening, operating and closing of all necessary accounts including escrow account, special payment account, demat account as required in terms of the SEBI Buyback Regulations; extinguishing dematerialized shares and physical destruction of share certificates in respect of the Equity Shares bought back by the Company; and filing such other undertakings, agreements, papers, documents and correspondence, as may be required to be filed in connection with the Buyback with the Securities and Exchange Board of India, the Stock Exchanges, Registrar of Companies, Depositories and / or other regulators and statutory authorities as may be required from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary

or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as it may, in absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

By Order of the Board
For Frontline Securities Limited

Place: Noida
Date: 26.03.2019

(RICHA ARORA)
Company Secretary & Whole time Director
DIN: 07825684

NOTES:

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business setting out material facts and reasons for the proposed resolutions are appended herein below.
2. Pursuant to the provisions of Section 110 of the Act read with the Management Rules, a company is mandatorily required to, in case of certain prescribed items of special business and has an option to in case of other items of special business, seek the approval of the shareholders through Postal Ballot, instead of getting it passed at a General Meeting. Accordingly, your approval is sought for the resolution contained in this Notice through Postal Ballot ("**Postal Ballot Notice**"). The said resolution and the explanatory statement are being sent to you along with a Postal Ballot Form ("**Postal Ballot Form**") for your consideration.
3. This Postal Ballot Notice is being sent to the members whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on 29.03.2019
4. Members whose names appear on the Register of Members / List of Beneficial Owners as on Friday, March 29th, 2019, will be considered for the purpose of voting. A person who is not a member as on the relevant date should treat this Postal Ballot Notice for informational purposes only.
5. Mr. MohitKhemka, Practicing Chartered Accountant, (Membership No.410605) has been appointed as Scrutinizer (the "Scrutinizer") for conducting the Postal Ballot / electronic voting process in accordance with the Act and the Management Rules made thereunder in a fair and transparent manner.
6. The Postal Ballot Notices along with Postal Ballot forms are being sent by electronic mode to those members, whose e-mail addresses are registered with the Company/ Depository, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by post.
7. A Postal Ballot Form and a postage prepaid self-addressed business reply envelope are attached to this Notice. The self-addressed envelope bears the address to which duly completed Postal Ballot Form should be sent.
8. The voting rights for the Equity Shares of the Company are one vote per equity share, registered in the name of the member. The voting rights of the members shall be in proportion to the percentage of paid-up share capital of the Company held by them, which will be determined on the basis of the paid-up value of shares registered in the name of each member as on Friday, March 29th, 2019.
9. In compliance with the provisions of Section 108 of the Act and Rules framed thereunder and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer facility of voting by electronic means ("**remote e-voting**") to its Members to enable them to cast their votes through remote e-voting instead of returning duly filled Postal Ballot Forms. The Company has engaged the services of Link Intime India Private Limited as its agency for providing remote e-voting facility to the Members. It may be noted that remote e-voting is optional. A Member may opt for only one mode of voting and in case the Member has voted through remote e-voting; he/she shall not use the Postal Ballot Form to cast his or her vote. If a Member casts vote through remote e-voting as well as Postal Ballot Form, the vote cast through valid remote e-voting would be considered and votes cast through Postal Ballot Form shall be treated as invalid.
10. The remote e-voting commences on Monday, April 08, 2019 at 9:00 A.M (IST) and ends on Tuesday, May 07, 2019 at 5:00 P.M(IST). The remote e-voting module shall also be disabled by Link Intime India Private Limited for voting thereafter.
11. The shareholders who do not receive the Postal Ballot Form may apply to the Company at secretarial@fsltechnologies.com or write to Frontline Securities Limited, B- 22, Sector- 4, Noida- 201301 for receiving the duplicate thereof.
12. The Members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and record their assent (For) or dissent (Against) to the items so listed, by returning the same duly completed and signed in the attached postage pre-paid self-addressed envelope. Postal Ballot Form(s), if sent by courier or registered/speed post at the expense of the Shareholder(s) will also be accepted.
13. The Return Postal Ballot form duly completed and signed, in the enclosed self-addressed Business Reply Envelope to the Scrutinizer, so that it reaches the scrutinizer not later than close working hours on May 07, 2019 at 5:00 P.M(IST) Any Postal Ballot received after 5:00 P.M (IST) on May 07, 2019 will be considered invalid.
14. The Scrutinizer will submit his final report to the Chairman as soon as possible after the last date of receipt for Postal Ballot Forms but not later than May 09, 2019.
15. The results of the voting by Postal Ballot will be declared at the corporate office of the Company at B- 22, Sector- 4, Noida- 201301 at 5:00 P.M on Thursday, May 09, 2019. The shareholders, who wish to be present at the time of declaration of the results, may do so at the said venue. The results will also be posted on the website of the Company www.fslindia.com, the website of Link Intime India Private Limited and intimated to the Stock Exchange on which the shares of the Company are listed. The date of declaration of Postal Ballot results will be taken as the date of passing the resolution.
16. Members can also contact Mr. Bharat Bhusan/ Richa Arora (the Company's Registrar and Share Transfer Agent and Company Secretary & Whole Time Director of Company) to resolve any grievances with regard to voting by Postal Ballot.

Email ID-bharatb@linkintime.co.in and secretarial@fsltechnologies.com; Telephone no- +911141410592,93, 94; +911202534067.

17. All the material documents referred to in the Explanatory Statement are available for inspection by the Members of the Company at its Registered Office on any working day between 11:00 A.M (IST) and 1:00 P.M (IST), except Saturday and Sunday, up to the last date of receipt of Postal Ballot Form specified in this Notice.
18. A copy of the Notice is available on the website of the Company, at www.fslindia.com, and website of BSE Limited, at www.bseindia.com.
19. A Shareholder cannot exercise his vote by proxy on Postal Ballot.
20. The procedure and instructions to members for Voting of transaction of Business through electronic means are as under:

The voting period begins at 9:00 A.M on Monday April 08, 2019 and ends at 5:00 P.M on Tuesday, May 07, 2019. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record/ cutoff date) of Friday, March 29th, 2019 may cast their vote electronically. The e-voting module shall be disabled by Link Intime for voting thereafter.

Instructions for shareholders to vote electronically:

❖ Log-in to e-Voting website of Link Intime India Private Limited (LIPL)

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
 - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
 - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company
5. Your Password details are given below:
If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in Demat Form or Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). ... Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number as recorded in your demat account or in the company records for the said demat account or folio number. ... Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL. For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

❖ Cast your vote electronically

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/View "Event No" of the company, you choose to vote.
7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
Cast your vote by selecting appropriate option i.e. Favour/Against as desired.
Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.
8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

❖ **General Guidelines for shareholders:**

- ... Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.
They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.
- ... During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- ... Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- ... In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 1

BUYBACK OF EQUITY SHARES

As per the requirements of Section 102 read with Section 68 and other applicable provisions of the Companies Act, 2013 (the "Act") and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (the "SEBI Buyback Regulations"), the relevant and material information to enable the shareholders to consider and approve the Special Resolution for Buyback of the Company's shares is set out below:

1) Details of Buyback

The Board of Directors (the "Board") at its meeting held on Tuesday, March 26th, 2019, discussed and in-principally consented to Buyback by the Company of up to **18,90,027** (Eighteen Lakhs Ninety Thousand Twenty Seven Only) fully paid-up Equity Shares of Rs.5/- (Rupees Five Only) each of the Company ("Equity Shares") representing 15.94% of the total paid-up Equity Share capital of the Company as on March 31, 2018, at a price of **Rs. 40/-** (Rupees Forty only) per Equity Share ("**Buyback Price**") payable in cash for an aggregate amount of up to **Rs.7,56,01,080/-** (Rupees Seven Crores Fifty Six Lakhs One Thousand and Eighty only) excluding any expenses incurred or to be incurred in relation to the Buyback viz. brokerage, applicable taxes such as securities transaction tax, goods and service tax, stamp duty and other incidental and related expenses ("**Buyback Size**"), being 24.99% of the sum of fully paid-up Equity Share Capital and free reserves of the Company as per its latest audited financial statements as on March 31, 2018, from the equity shareholders / beneficial owners of the Equity Shares of the Company as on the Record Date, on a proportionate basis through the "Tender Offer" route, as prescribed under the SEBI Buyback Regulations. The Buyback is subject to approval/consent of the members through postal ballot and shall be pursuant to the provisions of Article 134 of the Articles of Association of the Company, provisions of Sections 68, 69, 70 and 110 and all other applicable provisions, if any, of the Companies Act, 2013, as amended ("Act"), the Companies (Share Capital and Debentures) Rules, 2014 ("**Share Capital Rules**"), the Companies (Management and Administration) Rules, 2014 ("**Management Rules**"), including any statutory modifications or re-enactment thereof for the time being in force, and in compliance the SEBI Buyback Regulations.

2) Necessity for the Buyback

The Buyback is being proposed by the Company to return surplus funds to the shareholders, which are over and above its ordinary capital requirements and in excess of any current investment plans, in an expedient, efficient and cost effective manner. Additionally, the Company's management strives to increase shareholder's value and the Buyback would result in the following benefits, amongst other things:

- The Buyback will improve the Earnings Per Share (EPS), Return on Capital Employed (ROCE) and Return on Equity (ROE);
- The Buyback will help in achieving an optimal capital structure;
- The Buyback will help the Company to distribute surplus cash to its Members holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to Members;
- The Buyback, which is being implemented through the Tender Offer route as prescribed under the SEBI Buyback Regulations, would involve allocation of higher number of shares as per their entitlement or 15% of the outlay to small shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as "**small shareholder**";

- The Buyback gives an option to the Members holding Equity Shares of the Company, to either (i) choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback Offer or (ii) choose to not participate and enjoy a resultant increase in their percentage shareholding, post the Buyback Offer, without additional investment.

After considering several factors and benefits to the Members holding Equity Shares of the Company and considering the increase in accumulated free reserves as well as the cash liquidity reflected in the Audited Accounts for the financial year ended March 31, 2018, the Board decided to recommend the Buyback of up to **18,90,027** (Eighteen Lakhs Ninety Thousand Twenty Seven Only) fully paid-up Equity Shares of Rs. 5/- (Rupees Five Only) each (representing up to 15.94 % of the total number of Equity Shares in the paid-up Equity Share capital of the Company outstanding as on March 31, 2018) at a price of **Rs. 40/-** (Rupees Forty only) per Equity Share of Rs. 5/- (Rupees Five Only) each for an aggregate consideration not exceeding **Rs.7,56,01,080/-**(Rupees Seven Crores Fifty Six Lakhs One Thousand and Eighty only)

Class of shares, number intended to be purchased, price per share, maximum amount required under the Buyback and basis of determining the price

Class of Shares	Equity
Face Value per Share	Rs. 5/-
Proposed Buyback Price per Share	Rs. 40/-
Total (maximum) proposed amount required under the Buy Back	Rs. 7,56,01,080
Number of Equity Shares proposed to be bought back	18,90,027
As a percentage of paid-up equity share capital as on March 31, 2018	15.94%
As a percentage of paid-up equity share capital as on March 26, 2019	15.94%

3) Maximum amount required under the Buyback, its percentage of the total paid-up capital and free reserves and the sources of funds from which the Buyback would be financed

The aggregate Paid-up Equity Share Capital and Free Reserves of the Company as on March 31st, 2018 is Rs. 30,25,25,426. The proposed deployment of funds does not exceed 25% of the Paid-up Equity Share Capital and Free Reserves of the Company as on March 31st, 2018. The Company proposes to utilize an amount of Rs. 7,56,01,080/- (Rupees Seven Crores Fifty Six Lakhs One Thousand and Eighty Only) excluding any expenses incurred or to be incurred in relation to the Buyback viz. brokerage, applicable taxes such as securities transaction tax, goods and service tax, stamp duty and other incidental and related expenses ("Buyback Size") for the present Buyback of Equity Shares of the Company. The Buyback Offer Size is equivalent to 24.99% of the total Paid-up Equity Share Capital and Free Reserves of the Company as on March 31, 2018.

This amount for Buyback will be financed out of Company's current balances of cash and cash equivalents and other current investments and/ or internal resources.

The Company shall transfer a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited Financial Statements.

4) Maximum price at which the shares or other specified securities are proposed be bought back and the basis of arriving at the buyback price

The Equity Shares of the Company are proposed to be bought back at a price of Rs. 40/- (Rupees Forty Only) per equity share ("Buyback Price"). The Offer Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average prices of the Equity Shares on the BSE Limited ("BSE"), where the Equity Shares are listed, Book value of shares, the net worth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of Buyback on the earnings per share.

The Offer Price represents:

- a) Premium of 23.08% over the closing price of the Equity Shares on BSE, as on Tuesday, March 19th, 2019, being the trading day prior to the date on which the Company intimated BSE Limited of the date of the meeting of the Board of Directors, wherein the proposal of the Buyback was considered.
- b) a premium of approx. 22.03% and 34.32% over the volume weighted average price of the Equity Shares on the BSE during the last three months and last two weeks preceding March 20, 2019, being the day on which Company intimated the Stock Exchange of the date of meeting of the Board of Directors wherein the proposal for Buyback was considered

5) Maximum number of shares that the Company proposes to buyback

At the Buyback Price of Rs. 40/- per Equity Share and for the Maximum Buyback Size of Rs. 7,56,01,080/- (Rupees Seven Crores Fifty Six Lakhs One Thousand and Eighty Only), the maximum number of Equity Shares that can be bought back would be **18,90,027 (Eighteen Lakhs Ninety Thousand Twenty Seven Only)** fully paid-up Equity Shares of Rs. 5/- each (representing up to 15.94 % of the total number of Equity Shares in the paid-up Equity Share capital of the Company outstanding as on March 31, 2018).

6) Method to be adopted for Buyback

The Buyback shall be on a proportionate basis from the equity shareholders / beneficial owners of the Equity Shares of the Company through the "Tender Offer" route using the Stock Exchange Mechanism, as prescribed under the SEBI Buyback Regulations, provided 15% (Fifteen Percent) of the number of equity shares which the Company proposes to buyback or number of equity shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders, as prescribed under Regulation 6 of the SEBI Buyback Regulations. The Buyback will be implemented in accordance with the Act and the Rules made thereunder to the extent applicable, and on such terms and conditions as may be deemed fit by the Company.

As required under the SEBI Buyback Regulations, the Company will announce a record date (the “**Record Date**”) for determining the names of the Members holding Equity Shares of the Company who will be eligible to participate in the Buyback Offer. In due course, each shareholder as on the Record Date, will receive a Letter of Offer along with a Tender / Offer Form indicating the entitlement of the shareholder for participating in the Buyback Offer.

The Equity Shares to be bought back as a part of the Buyback are divided in two categories:

- (a) Reserved category for small shareholders; and
- (b) General category for all other shareholders.

As defined in the SEBI Buyback Regulations, a “**small shareholder**” is a shareholder who holds Equity Shares having market value, on the basis of closing price of shares, on the recognized stock exchange in which highest trading volume in respect of Equity Shares as on Record Date is not more than Rs. 2,00,000/- (Rupees TwoLacs).

In accordance with Regulation 6 of the SEBI Buyback Regulations, 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buyback or number of Equity Shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders as part of this Buyback. The Company believes that this reservation would benefit a large number of public shareholders, who would get classified as small shareholders.

Based on the holding on the Record Date, the Company will determine the entitlement of each shareholder to tender their shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs.

Shareholders’ participation in the Buyback will be voluntary. Members holding Equity Shares of the Company can choose to participate and get cash in lieu of shares to be accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Members holding Equity Shares of the Company may also tender a part of their entitlement. Members holding Equity Shares of the Company also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other shareholders, if any.

The maximum tender under the Buyback by any shareholder cannot exceed the number of Equity Shares held by the shareholder as on the Record Date. The Equity Shares tendered as per the entitlement by Members holding Equity Shares of the Company as well as additional shares tendered, if any, will be accepted as per the procedure laid down in SEBI Buyback Regulations. The settlement of the tenders under the Buyback is expected to be done using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with circular no. CFD/DCR2/CIR/P/2016/131 dated December 9, 2016.

Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Members holding Equity Shares of the Company as on the Record Date.

The Buyback from shareholders who are residents outside India, including Foreign Corporate Bodies (including erstwhile Overseas Corporate Bodies) and Foreign Institutional Investors, shall be subject to such approvals, if any and to the extent required from the concerned authorities including approvals from the Reserve Bank of India under Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, and such approvals shall be required to be taken by such non-resident shareholders.

7) Time limit for completion of Buyback

The Buyback, subject to regulatory consents and approvals, if any, is proposed to be completed within one year from the date of the special resolution approving the Buyback.

8) The aggregate shareholding of the Promoter(s) / Promoter Group and Persons in Control of the Company, the Directors / Trustees of the Promoters / Promoter Group, where the Promoter is a company / trust, and the Directors and Key Managerial Personnel of the Company as on the date of this Notice:

- a) Shareholding of the Promoter(s) / Promoter Group being individuals and the companies/entities forming part of the Promoter Group and Persons in Control:

Sr. No.	Category	No. of Equity Shares	Percentage of shareholding
1	Hope Consultants Limited	8,20,886	6.92
2	Rakesh Kumar Jain	49,91,820	42.10
3	Prerna Jain	27,77,008	23.42
4	Vidha Jain	49,020	0.41
5	Aridhi Jain	16,620	0.14
	Total	86,55,354	73.00

During the Financial Year 2018-19, the company in its Annual General Meeting held on September 25, 2018 has approved the sub-division of the fully paid up equity shares of Rs. 10/- each (Rupees Ten Each) into 2 Equity shares of Rs. 5/- each (Rupees Five) each, due to which the No of shares of the company gets doubled in their numbers. The above No of shares of Promoter/ Promoter group is after taking consideration of the said sub-division of Equity Shares.

b) Shareholding of the Directors of Hope Consultants Limited (Company forming part of Promoters/ Promoter Group):

Apart from the equity shares held by Mr. Rakesh Kumar Jain, being the Director of Hope Consultants Limited and holding the Equity Shares of the Company in the capacity of Promoters of the Company, the shareholding of Directors of Hope Consultants Limited in the Company is stated below:

Sr. No.	Name of the Director	No. of Equity Shares	Percentage of holding
1.	Mr. Rajeev Kumar Jain	400	0.00
2.	Mr. Sharad Jain	67,070	0.46

During the Financial Year 2018-19, the company in its Annual General Meeting held on September 25, 2018 has approved the sub-division of the fully paid up equity shares of Rs. 10/- each (Rupees Ten Each) into 2 Equity shares of Rs. 5/- each (Rupees Five) each, due to which the No of shares of the company gets doubled in their numbers. The above No of shares of Promoter/ Promoter group is after taking consideration of the said sub-division of Equity Shares.

c) Shareholding of the Directors and Key Managerial Personnel of the Company:

Apart from equity shares held by Mr. Rakesh Kumar Jain in the Capacity of promoter of the Company.

S. No.	Name	Designation	No. of Equity Shares	Percentage of shareholding
1.	Mr. Gauri Shankar Pandey	Whole Time Director	-	-
2.	Dr. Charanjeet Singh Bedi	Independent Director	-	-
3.	Mr. Atul Kumar Jain	Independent Director	20	-
4.	Mr. Arun Kumar Jain	Independent Director	420	-
5.	Mr. Baljit Singh Bedi	Independent Director	1,200	0.01%
6.	Ms. SarabjeetKaur Kocher	Women Director	-	-
7.	Ms. RichaArora	Whole Time Director and Company Secretary	-	-
8.	Mr. MayankAgarwal	Chief Financial Officer	-	-
	Total		1,640	0.01%

During the Financial Year 2018-19, the company in its Annual General Meeting held on 25th September, 2018 has approved the sub-division of the fully paid up equity shares of Rs. 10/- each (Rupees Ten Each) into 2 Equity shares of Rs. 5/- each (Rupees Five) each, due to which the No of shares of the company gets doubled in their numbers. The above No of shares of Promoter/ Promoter group is after taking consideration of the said sub-division of Equity Shares.

9) Aggregate number of Equity Shares purchased or sold as well as minimum and maximum price at which such purchases and sales were made along with relevant dates by persons mentioned under (8) above for a period of six months preceding the date of the Board Meeting at which the Buyback was approved till the date of this Notice

(a) Details of transactions by the Promoters / Promoter Group and Persons in Control of the Company:

No transaction (either purchase / sale / inter-se transfer) is undertaken by persons referred to in 8(a) above, during the period of six months preceding the date of the Board Meeting at which the Buyback was approved and from the date of the Board Meeting till date of this Notice except transfer of 800 shares (after sub-division) pursuant to Order dated September 18, 2006 of the Hon'ble High Court of Delhi, approving the Scheme of Amalgamation of Hope Consultants Limited with AVI Growth Avenues Private Limited, Ample Consultants Private Limited and Frontcap Securities Private Limited. The said 800 shares were held by Ample Consultants Private Limited, another Promoter Group Entity.

(b) Details of transactions by the Directors of the company forming part of Promoters / Promoter Group:

No transaction (either purchase / sale / inter-se transfer) is undertaken by persons referred to in 8(b) above during the period of six months preceding the date of the Board Meeting at which the Buyback was approved and from the date of the Board Meeting till the date of this Notice.

(c) Details of transactions by the Directors and Key Managerial Personnel of the Company:

No transaction (either purchase / sale / inter-se transfer) is undertaken by persons referred to in 8(c) above during the period of six months preceding the date of the Board Meeting at which the Buyback was approved and from the date of the Board Meeting till the date of this Notice.

10) Intention of the Promoters and Promoter Group and Persons in Control of the Company to tender Equity Shares for Buyback indicating the number of shares, details of acquisition with dates and price

In terms of the SEBI Buyback Regulations, under the Tender Offer route, the Promoters and Promoter Group of the Company have an option to participate in the Buyback. In this regard, the Promoters and Promoter Group (the "**Promoter Group**") have expressed their intention to participate in the Buyback and offer upto an aggregate maximum of 86,55,354 Equity Shares or such lower number of shares as required in compliance with the SEBI Buyback Regulations.

Furtherance to the above intention of Promoter Group, the maximum number of shares that the Promoter Group may tender are given in the table below.

S. No.	Name	No. of Shares held	Maximum number of shares intended to tender
1.	Hope Consultants Limited	8,20,886	8,20,886
2.	Rakesh Kumar Jain	49,91,820	49,91,820
3.	Prerna Jain	27,77,008	27,77,008
4.	Vidha Jain	49,020	49,020
5.	Aridhi Jain	16,620	16,620
	Total	86,55,354	86,55,354

Detail of the date and price of acquisition of the Equity Shares that the Promoters and Promoter Group intend to tender are set-out below:

Sr. No.	Date of Acquisition	No. of Equity Shares Acquired	Cost of Acquisition (in Rs. per Share)
A. Hope Consultants Limited			
1.	April 01, 2006#	8,20,086	Not Applicable
2.	25 th February, 2019\$	800	Not Applicable
Sub Total (A)		8,20,886	
B. Rakesh Kumar Jain			
1.	2 nd May, 2012	4,31,820	12.20
2.	30 th July, 2015	12,00,000	13.75
3.	8 th July, 2016	5,80,000	8.70
4.	19 th August 2016	24,80,000	9.51
5.	17 th April, 2017	3,00,000	26.50
Sub Total (B)		49,91,820	-
C. Prerna Jain			
1.	4 th April, 2016	4,27,008	13.50
2.	8 th July, 2016	23,00,000	8.70
3.	17 th April, 2017	50,000	26.50
Sub Total (C)		27,77,008	-
D. Vidha Jain			
1.	Up to 1 st April, 1999#	49,020	2.00
Sub Total (D)		49,020	-
E. Aridhi Jain			
1.	Up to 1 st January, 2003#	16,620	3.50
Sub Total (E)		16,620	-
Total (A+B+C+D+E)		86,55,354	-

#The exact dates of said acquisition are Not Available.

\$ Allotted pursuant to Order dated September 18, 2006 of the Hon'ble High Court of Delhi, approving the Scheme of Amalgamation of Hope Consultants Limited with AVI Growth Avenues Private Limited, Ample Consultants Private Limited and Frontcap Securities Private Limited.

During the Financial Year 2018-19, the company in its Annual General Meeting held on September 25, 2018 has approved the sub-division of the fully paid up equity shares of Rs. 10/- each (Rupees Ten Each) into 2 Equity shares of Rs. 5/- each (Rupees Five) each, due to which the No of shares of the company gets doubled in their numbers. The above No of shares of Promoter/ Promoter group is after taking consideration of the said sub-division of Equity Shares.

11) The Company hereby confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

12) Confirmation from the Board

The Board of the Directors confirms that it has made a full enquiry into the affairs and prospects of the Company and after taking into account the financial position of the Company including the projections and also considering all contingent liabilities, the Board has formed an opinion:

- That immediately following the date of the Board Meeting held on Tuesday, March 26th, 2019 and the date of passing the Shareholder's Resolution approving the proposed Buyback, there will be no grounds on which the Company can be found unable to pay its debts;
- That as regards the Company's prospects for the year immediately following the date of the Board Meeting held on Tuesday, March 26th, 2019 as well as the year immediately following the date of passing of the shareholders' resolution approving the proposed Buyback, and having regard to Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from date of the Board meeting approving the Buyback held on Tuesday, March 26th, 2019 as also from the date of the shareholders' resolution approving the proposed Buyback;
- That in forming their opinion for the above purpose, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if Company is being wound up under the provisions of the Act, and the Insolvency and Bankruptcy Code, 2016 (to the extent notified and in force).

13) Confirmation from the Company as per the provisions of the SEBI Buyback Regulations and the Act:

- (a) The Company shall not issue any Equity Shares or other securities (including by way of bonus) till the date of closure of the Buyback;
- (b) The Company shall not raise further capital for a period of one year from the closure of Buyback offer except in discharge of its subsisting obligations;
- (c) The special resolution approving the Buyback will be valid for a maximum period of one year from the date of passing the said special resolution (or such extended period as may be permitted under the Act or the SEBI Buyback Regulations or by the appropriate authorities). The exact time table for the Buyback shall be decided by the Board (or its duly constituted Committee) within the above time limits;
- (d) The Equity Shares bought back by the Company will be compulsorily cancelled / extinguished and will not be held for re-issuance;
- (e) The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares purchased through the Buyback to the Capital Redemption Reserve account and the details of such transfer shall be disclosed in its subsequent audited balance sheet;
- (f) The Company shall not withdraw the Buyback after the public announcement of the offer to Buyback is made;
- (g) The Company shall not Buyback locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable; and
- (h) The Company confirms that as required under Section 68(2)(d) of the Act, the Company is a debt free company and the debt equity ratio of aggregate of secured and unsecured debts owed by the Company shall not be more than twice the equity share capital and free reserves after the Buyback.

14) Report addressed to the Board of Directors by the Statutory Auditors of the Company on permissible capital payment and opinion formed by directors regarding insolvency

The text of the Report dated March 26th, 2019 received from M/s WalechaInder& Associates, Chartered Accountants, Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

Quote

Independent Auditor's Report on Buyback of shares pursuant to the requirement of Schedule I to the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended

The Board of Directors
Frontline Securities Limited
M-6, 11th Floor, M Block Market,
Greater Kailash-II
New Delhi 110048

Subject: Statutory Auditor's report in respect of proposed Buyback of equity shares by Frontline Securities Limited ("the Company") in terms of the clause (xi) of Schedule I of Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018 (as amended)

In connection with the proposal of Frontline Securities Limited ("the Company") to Buyback its equity shares in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended ('the Regulations'), and in terms of the resolution passed by the directors of the Company in their meeting held on March 26th, 2019, which is subject to the approval of the shareholders of the Company, we have been engaged by the Company to perform a reasonable assurance engagement on the Statement of Determination of the Amount of Permissible Capital Payment (the "Statement"), which we have initialed for identification purposes only.

Auditor's Responsibility

1. Pursuant to the requirements of the Regulations, it is our responsibility to provide reasonable assurance on the following "Reporting Criteria":
 - i. whether the amount of capital payment for the buyback is within the permissible limit and computed in accordance with the provisions of Section 68 of the Act;
 - ii. whether the Board of Directors, in their meeting held on March 26th, 2019, have formed the opinion, as specified in Clause (X) of Schedule I to the Regulations, on a reasonable ground that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the aforesaid date and from the date on which the results of the postal ballot with regard to the proposed Buyback will be declared; and
 - iii. whether we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned therein is unreasonable in the circumstances as at the date of the declaration.
2. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria mentioned in paragraph 1 above. The procedures selected depend on the auditor's judgment, including an assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
 - i. we have inquired into the state of affairs of the Company in relation to its audited financial statements for the year ended March 31, 2018.
 - ii. examined the authorization for Buyback as per the Articles of Association of the Company;
 - iii. examined that the amount of capital payment for the Buyback, as detailed in Annexure A, is within the permissible limits computed in accordance with Section 68 of the Act;
 - iv. examined that the ratio of debt owned by the Company, if any, is not more than twice the capital and its free reserve after such Buyback;
 - v. examined that all shares for Buyback are fully paid-up;
 - vi. examined resolutions passed in the meetings of the Board of Directors in this regard;
 - vii. examined the Director's declarations for the purpose of Buyback and solvency of the Company;

- viii. obtained necessary representations from the management of the Company.
3. The financial statements for the year ended March 31, 2018, referred to in paragraph 2 (i) above, have been audited by us, on which we issued an unmodified audit report vide our report dated May 28, 2018. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143 of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Opinion

4. Based on our examination as above, the information and explanations given to us, and based on representation provided to us, in our opinion,
- the Statement of Permissible Capital Payment towards Buyback of Equity Shares, as contained in Annexure A, is in our view properly determined in accordance with Section 68 of the Act; and
 - the Board of Directors, in their meeting held on March 26th, 2019, have formed the opinion, as specified in clause (x) of Schedule I of the Regulations (Refer Annexure B attached), on reasonable grounds that the Company will not be rendered insolvent within a period of one year from the aforesaid date and from the date on which the results of the postal ballot with regard to the proposed Buyback will be declared; and
 - we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned therein is unreasonable in the circumstances as at the date of declaration.
 - Apart from the audited financials for the year ended March 31, 2018, we have also considered unaudited (Limited Reviewed) financial statements for the Quarter ended December 31, 2018.

For **Walechalnder& Associates**
Chartered Accountants
Registration Number: 014205N

InderjeetWalecha
Partner
Membership Number: 093694
Place of Signature: New Delhi, India
Date: March 26th, 2019

Annexure A
Statement of determination of the maximum amount of permissible capital payment for buyback of Equity Shares in accordance with the provisions of the Act and the Regulations (the "Statement")

a) Permissible limit for Buyback under Section 68(2)(c) of the Companies Act, 2013		
Particulars	Amount in Rs.	
Paid-up capital as at March 31, 2018* (59,27,846 Equity Shares of Rs. 10 each fully paid-up) (A)		5,92,78,460
Free Reserves as on March 31, 2018		
Securities Premium Account	NIL	
Surplus in Statement of Profit and Loss	23,81,99,114	
General Reserve	50,47,852	
Total Free Reserves as on March 31, 2018 (B)		24,32,46,966
Total (A+B)		30,25,25,426
Maximum amount permissible for the Buyback (i.e. 25% of total paid-up equity capital and free reserves)		7,56,01,104
Amount approved by the Board of Directors for Buyback		7,56,01,080

b) Maximum limit of Buyback of Equity Shares in a financial year		
Particulars	No. Of Shares	
Paid-up capital as at March 31, 2018		59,27,846
Paid up shares as on December 31, 2018		1,18,55,692*
25% thereof being maximum equity capital eligible for Buyback		29,63,923
Maximum shares approved by the Board of Directors for Buyback		18,90,027

*Calculation in respect to Buyback is done on the basis of Audited Financial Statements of the Company for the year ended March 31, 2018. While doing such calculation, the company has taken effect of the sub-division of the equity shares that was approved by the shareholders in its meeting held on 25th September, 2018.

For **Walechalnder& Associates**
Chartered Accountants
Registration Number: 014205N

InderjeetWalecha
Partner
Membership Number: 093694
Date: March 26th, 2019

ANNEXURE-B
Declaration of the Board of Directors

It is hereby declared that the Board of Directors has made a full enquiry into the affairs and prospects of the Company and after taking into account the financial position of the company including the projections and also considering all contingent liabilities, the Board has formed an opinion:

- I. That immediately following the date of the Board Meeting held on Tuesday, March 26th, 2019 and the date of passing of Shareholder's Resolution approving the proposed Buyback, there will be no grounds on which the company can be found unable to pay its debts;
- II. That as regards the company's prospects for the year immediately following the date of the Board Meeting held on Tuesday, March 26th, 2019 as well as the year immediately following the date of passing of the shareholder's resolution approving the proposed Buyback, and having regard to Board's intension with respect to the management of the company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the company that year, the company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of Board Meeting approving the Buyback held on Tuesday, March 26th, 2019, as also from the date of the shareholder's resolution approving the proposed Buyback;
- III. That in forming their opinion for the above purpose, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if company is being wound up under the provisions of the Act, and the Insolvency and Bankruptcy Code, 2016 (to the extent notified and in force).

For and on behalf of the Board of Directors of
FRONTLINE SECURITIES LIMITED

Rakesh K. Jain
(Director)
DIN: 00050524

RichaArora
(Company Secretary and Whole Time Director)
DIN: 07825684

Place: Noida
Date: March 26th, 2019

Unquote

For any clarifications related to the Buyback process, Members holding equity shares of the Company may contact any one of the following:

1. Company: Frontline Securities Limited
Contact Person: Ms. RichaArora, Company Secretary and Whole Time Director.
Tel : +91 120-2534066/67/68; Email: secretarial@fsltechnologies.com
2. Merchant Banker: Sundae Capital Advisors Private Limited:
Contact Person: Ms. AnchalLohia, Manager
Tel : +91 11 49149740; Email: fsl.buyback@sundaecapital.com

All the material documents referred to in the Explanatory Statement are available for inspection by the Members of the Company at its Registered and Corporate Office on any working day except Saturday, Sunday and Public holidays between 10.00 am IST and 4.00 pm IST up to the last date of receipt of Postal Ballot Form specified in the accompanying Notice. A copy of the Notice is also available on the website of the Company, at www.fslindia.com, website of RTA www.linkintime.co.in and expected to be available on the website of the BSE Limited, at www.bseindia.com.

In the opinion of the Board, the proposal for Buyback is in the interest of the Company and its Members holding equity shares of the Company. The Directors, therefore, recommend passing of the Special Resolution as set out in the accompanying Notice.

None of the Directors except to the extent of their shareholding in the Company including their relatives are, in anyway, concerned or interested, financially or otherwise, in passing of the proposed resolution, save and except to the extent of their shareholding in the Company, if any.

By Order of the Board
For Frontline Securities Limited

Place: Noida
Date: 26.03.2019

(RICHA ARORA)
Company Secretary & Whole time Director
DIN: 07825684