

FRONTLINE SECURITIES LIMITED
Corporate Identity Number: L74899DL1994PLC058837
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Greater Kailash -II, New Delhi- 110048
Corporate Office: B-22, Sector-4, Noida- 201301
Tel: +91-120-2534066,67,68; Fax: +91-120-2534111
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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 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 the Company to the proposed Special Resolutions 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.

SPECIAL BUSINESSES:

1. BUY BACK OF EQUITY SHARES

The Board of Directors of the Company (“Board”) at its meeting held on October 20th, 2017 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 Buy Back fully paid up Equity Shares of Rs. 10 each of the Company (“Buy Back”) from the existing Equity shareholders of the Company 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 (“Buy Back of Securities”) Regulations, 1998 (the “Buy Back Regulations”) at a price of Rs. 62.00 per equity share (“Buy Back Price”), aggregating to an amount not exceeding Rs. 7,92,27,692. The Company proposes to Buy Back upto 12,77,866 Equity Shares of Rs. 10 each (representing 17.78% of the total paid up Equity Share Capital of the Company as on March 31st, 2017) at the Buy Back Price.

RESOLUTION NO. 1

Approval for Buyback of Equity Shares

To consider and, if thought fit, to pass the following resolution, with or without modification(s) 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 (Buy Back of Securities) Regulations, 1998 (“**Buy Back 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 Buy Back by the Company of up to **12,77,866** (Twelve Lakhs Seventy Seven Thousand Eight Hundred Sixty Six) fully paid-up Equity Shares of Rs. 10/- each of the Company (“**Equity Shares**”) representing upto 17.78% of the total paid-up Equity Share capital of the Company as on March 31st, 2017, at a price of **Rs. 62/-** (Rupees Sixty Two only) per Equity Share (“**Buy Back Price**”) payable in cash for an aggregate amount of up to **Rs. 79,227,692/-** (Rupees Seven Crores Ninety Two Lakhs Twenty Seven Thousand Six Hundred Ninety Two only) excluding any expenses incurred or to be incurred in relation to the Buy Back viz. brokerage, applicable taxes such as securities transaction tax, goods and service tax, stamp duty and other incidental and related expenses (“**Buy Back 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 31st, 2017, through the “**Tender Offer**” route as prescribed under the Buy Back 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 (“Buy Back”).

RESOLVED FURTHER THAT the Buy Back shall be made out of the free reserves based on the audited accounts of the Company for the financial year ended March 31st, 2017 and the payments be made out of the Company’s current balances of cash and cash equivalents and other current investments and/ or internal accruals of the Company.

RESOLVED FURTHER THAT 15% of the number of Equity Shares which the Company proposes to Buy Back or the number of Equity Shares entitled as per the shareholding of small shareholders, as defined in the Buy Back Regulations (“Small Shareholders”), as of the Record Date, whichever is higher, shall be reserved for Small Shareholders.

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

RESOLVED FURTHER THAT the Buy Back 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 Buy Back Committee to Buy Back any shares, and/or impair any power of the Company or the Board or the Committee to terminate any process in relation to such Buy Back, 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) / Authorised Representative(s) of the Company in order to give effect to the aforesaid resolutions, including but not limited to finalizing the terms of the Buy Back like Record Date, time frame for completion of Buy Back; appointing Merchant Bankers, Brokers, Lawyers, Registrars, Scrutinizers, Escrow Agents, and other advisors / consultants / intermediaries / agencies, as may be required, for the implementation of the Buy Back; 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 Buy Back; 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 Buy Back Regulations; opening, operating and closing of all necessary accounts including escrow account, special payment account, demat account as required in terms of the Buy Back 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 Buy Back 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 Buy Back, 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 Buy Back 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.

RESOLUTION NO. 2

Rearrangement and Realignment of the Object Clause of the Memorandum of Association of the Company

The Company has been carrying out the business of Mutual fund and Investment Advisory pursuant to sub clause 29 of Other Objects of Memorandum of Association, formed under Companies, Act 1956 and duly approved by the Board of Directors. However, since we are re-organizing the object clause in view of the directions of Ministry of Corporate Affairs, same is inserted in modified way as specified below:-

To consider and, if thought fit, to pass with or without modification (s), the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to Section 13, Companies (Share Capital and Debentures) Rules, 2014 (“Share Capital Rules”) for the time being in force and the provisions, requirement of Ministry of Corporate Affairs and all other applicable provisions, if any, of the Companies Act, 2013 (including any re-enactment(s) and modification(s) made there under, if any, for the time being in force), the main object to include & specify clearly the business to be done by the Company & accordingly the object clause shall be read as follows:-

1. To buy, sell, acquire, trade, deal, invest and hold shares, stocks, debentures, debenture stocks, bonds, obligations and securities, (being securities whatsoever named) issued or guaranteed by any Company constituted or carrying on business in the republic of India or elsewhere or by any Government, Sovereign Ruler, Commissioners, Public Body or Authority, Supreme, Municipal, Local, Stock Exchange or otherwise and to become the member of any Authority/Body to do the above referred business.
2. To promote, establish, manage, organize, handle, operate, float or distribute a Mutual Fund or an company to manage all types of assets of Mutual Funds in India or abroad whether open ended or close ended or other schemes approved by the Securities and Exchange Board of India or other authorities from time to time under the prevailing laws, rules, regulations, and guidelines.
3. To carry on the business of investment advisor, debt arranger, advisor for debt issuance and to carry on investment advisory services, financial consultancy services, venture capital, custodial services, factoring, credit reference agencies, credit rating agencies, housing finance, foreign exchange broking, credit cards managing services, money changing, offering term loan(s), Inter-Corporate Deposits, offering all kinds of credit facilities, whether secured or unsecured, to provide micro credit and rural credit in accordance with and to the extent permissible under the applicable regulations in respect of each of the above activities in India or elsewhere, and to provide and to engage in all businesses as may be related or ancillary to the aforesaid business areas and to carry on the business or vocation of acting as advisers and consultants on all matters relating to corporate, commercial and industrial management, including trading, personnel, advertising and public relations, and to prepare evaluations, feasibility studies, project reports, and to give guidance and surveys and suggest ways and means for improving efficiency in investment opportunities, trades, business and organisations, and industries of all kinds in India and elsewhere and to carry on any business.
4. To carry on the business of and to act as Merchant Bankers, Registrar to Issue, Share Transfer Agents, Manager to Issue, Port-folio Managers, Brokers to Issue, Underwriter, Share/Stock Brokers or Sub-Brokers, Legal Advisor to Issue, Trustee for Debenture holders, Jobbers, Member of Stock Exchanges in India or elsewhere including of National Stock Exchange, Over the Counter Exchange of India.
5. To act as Custodian, Asset Management Company, Credit Rating Agency and to assist, advice any other company, firms, individual or other person in carrying on the above referred activities/ business.
6. To carry on all the business of hotels, restaurants, cafes, holiday camps, resorts, taverns, beer-houses, refreshment rooms, night clubs, cabarets and swimming pools and Turkish baths and lodging or apartment house keepers, wine, beer and spirit merchants, brewers, distillers, bakers and confectioners, importers and manufactures of aerated mineral and artificial water and other drinks, by the Company or any of its subsidiary/ joint venture/ Privately held company even as a minority shareholder .
7. To carry on the business of broadcasting, telecasting, relaying, transmitting, distributing, producing, directing, editing, purchasing, selling, acquiring, dubbing, recording, or otherwise dealing in any manner in any audio, video programme, films or software with respect to news, entertainment, current affairs, information, sports, education, history, culture, art, science, fiction and/or games through including but not limited to, terrestrial satellite, cable, direct to home, internet or interactive television network and/or any other medium and/or to acquire rights for broadcasting, transmitting or distributing in any other manner, any live sports and/or entertainment events, shows, recorded programmes, highlights, films and/or other programmes, to carry on the business as advertising agents, to purchase, and/or sell advertising time or 'space on television, radio, internet, satellite in India or abroad or any other kinds of media and/or to act as agent or representative for any person(s) and/or entities for soliciting/booking advertisements and/or any other promotional, commercial and/or other programmes on any form of media.
8. To design, develop, manufacture, purchase, sell, licence, lease, install, market, distribute, improve, alter, import, export and to otherwise deal in all types of information technology related software used by or involving computers, data processing systems, communication hardware and software, office and factory automation equipment and to provide management consultancy services, e-commerce, e-sales, E.R.Ps, internet and intranet services, web designing, portal designing, filmware and programmes, satellite communication, cyber cafes, CAD, CAM, CAE, 3D Designing and any other incidental or related services.
9. To carry on business of providers of all or any information technology services in India and abroad including services such as Internet Service Provider, shared services, call centres, back office services, Hyper Text Markup Language (HTML) coding, text publishing, software development etc.
10. To carry on the business of establishing, financing, managing and maintaining training centres and research and development institutes for imparting education and training and undertaking all kinds of research, experiments, surveys etc. respectively, in the field of information technology related software services.

11. To construct libraries, reading rooms, bookshops, stores, studios and/or other buildings and works and conveniences for the purpose thereof and to manage, maintain and carry on the business of libraries, reading rooms, bookshops, stores, studios and/or to let out the same when so constructed or erected.
12. To carry on any business of the company, through its subsidiary/ joint venture/ Associate/ privately held company/ holding minority share holding or any other entity having any business whatsoever like financial services, Mutual fund distribution, hotel business, Media, Investment Advisory etc.
13. To carry on the business of providing learning and education to children, adolescents and adults in India or abroad in the field of education, information technology, technical education, professional and vocational education and training through conventional and non-conventional means or otherwise.
14. To establish, run and administer colleges, centres, or schools where coaching, teaching, training, providing tuitions, counselling, systematic teacher training programs in pedagogical theory, skills and strategies, classroom management practices, processes of curriculum development, assessment and evaluation and other facilities are provided to students through classes, correspondence, or by any other means for any examination, degree, selection, admission, recruitment, promotion or for any other purposes or tests in any field in all parts of the world and to participate in the bid for privatization of government schools.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be required or considered necessary or incidental thereto.”

By Order of the Board
For Frontline Securities Limited

Place: Noida (U.P.)
Date: 20.10.2017

(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 October 27th, 2017.
4. Members whose names appear on the Register of Members / List of Beneficial Owners as on October 27th, 2017, 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. Mohit Khemka, Practicing Chartered Accountant, (Membership No.024257N) 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 October 27th, 2017.
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 Central Depository Services (India) 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 November 7th at 9:00 A.M. (IST) and ends on December 6th, 2017 at 5:00 P.M. (IST). The remote e-voting module shall also be disabled by CDSL 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 (i.e 17:00 hours IST) on 6th December, 2017. Any Postal Ballot received after 17:00 hours IST on 6th December, 2017 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 the close of working hours of December 8th, 2017.
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. (IST) December 8th, 2017. 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 CDSL and intimated to the Stock Exchange on which the shares of the Company are listed. The results of the Postal Ballot shall be

published in the newspapers. 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; secretarial@fsltechnologies.com; Telephone no- +911141410592,93, 94/ 0120; 01202534067.
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 on 7th November, 2017 and ends on 6th December, 2017. 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 27th October, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on Shareholders / Members
3. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password will be used.
6. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<ul style="list-style-type: none"> • 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/Registered their PAN with the Company/ Depository Participant are requested to use the sequences number indicated in the PAN Field, mentioned in the postal Ballot Form.
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> • Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3).

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN for the relevant <Company Name> on which you choose to vote.

11. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
12. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
13. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
14. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
16. If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
17. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- 18. Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
19. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

ITEM NO. 1

BUY BACK 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, 1998 (the “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 Buy Back

The Board of Directors (the “Board”) at its meeting held on October 20th, 2017 discussed and in-principally consented to Buy Back by the Company of up to **12,77,866** (Twelve Lakhs Seventy Seven Thousand Eight Hundred Sixty Six) fully paid-up Equity Shares of Rs.10/- each of the Company (“Equity Shares”) representing 17.78% of the total paid-up Equity Share capital of the Company as on March 31st, 2017, at a price of **Rs. 62/-** (Rupees Sixty Two only) per Equity Share (“Buy Back Price”) payable in cash for an aggregate amount of up to **Rs.79,227,692/-** (Rupees Seven Crores Ninety Two Lakhs Twenty Seven Thousand Six Hundred Ninety Two only) excluding any expenses incurred or to be incurred in relation to the Buy Back viz. brokerage, applicable taxes such as securities transaction tax, goods and service tax, stamp duty and other incidental and related expenses (“Buy Back 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, 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 Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and subsequent amendments thereof (the “Buy Back Regulations”). The Buy Back 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 Buy Back Regulations.

2) Necessity for the Buy Back

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 Buy Back 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 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 Buy Back Offer or (ii) choose to not participate and enjoy a resultant increase in their percentage shareholding, post the Buy Back 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 31st, 2017, the Board decided to recommend the Buy Back of up to **12,77,866** (Twelve Lakhs Seventy Seven Thousand Eight Hundred Sixty Six) fully paid-up Equity Shares of Rs. 10/- each (representing up to 17.78 % of the total number of Equity Shares in the paid-up Equity Share capital of the Company outstanding as on March 31, 2017) at a price of **Rs. 62/-** (Rupees Sixty Two only) per Equity Share of Rs. 10/- each for an aggregate consideration not exceeding **Rs. 7,92,27,692** (Rupees Seven Crores Ninety Two Lakhs Twenty Seven Thousand Six Hundred Ninety Two only).

3) 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. 10/-
Proposed Buy Back Price per Share	Rs. 62/-
Total (maximum) proposed amount required under the Buy Back	7,92,27,692
Number of Equity Shares proposed to be bought back	12,77,866
As a percentage of paid-up equity share capital as on March 31, 2017	17.78%
As a percentage of paid-up equity share capital as on October 20, 2017	17.78%

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. 62/- per equity share (“Buy Back 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 premium of 6.90% over the closing price of the Equity Shares on BSE, as on 12th October, 2017, 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 Buy Back was considered.

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

The aggregate Paid-up Equity Share Capital and Free Reserves of the Company as on March 31st, 2017 is Rs. 31,70,37,635. 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, 2017. The Company proposes to utilize an amount of Rs. 7,92,27,692 (Rupees Seven Crores Ninety Two Lakhs Twenty Seven Thousand Six Hundred Ninety Two only) excluding any expenses incurred or to be incurred in relation to the Buy Back viz. brokerage, applicable taxes such as securities transaction tax, goods and service tax, stamp duty and other incidental and related expenses (“Buy Back Size”) for the present Buy Back of Equity Shares of the Company. The Buy Back Offer Size is equivalent to 24.99% of the total Paid-up Equity Share Capital and Free Reserves of the Company as on March 31st, 2017.

This amount for Buy Back will be financed out Company’s current balances of cash and cash equivalents and other current investments and/ or internal accruals.

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

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 Buy Back Regulations. The Buy Back 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 Buy Back 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 Buy Back 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 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 Two Lacs).

In accordance with Regulation 6 of the Buy Back 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 Buy Back. 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 Buy Back. 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 Buy Back 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 Buy Back or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buy Back, 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 Buy Back 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 BuyBack Regulations. The settlement of the tenders under the Buy Back 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 Buy Back (tender of Equity Shares in the Buy Back) 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 Buy Back 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	4,10,043	5.7056
2	Rakesh Kumar Jain	31,45,910	43.7741
3	Prerna Jain	17,88,504	24.8863
4	Vidha Jain	24,510	0.3410

5	Aridhi Jain	8,310	0.1156
	Total	53,77,277	74.8227

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	200	0.00
2.	Mr. Sharad Jain	32,935	0.46

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	10	-
4.	Mr. Arun Kumar Jain	Independent Director	210	-
5.	Mr. Baljit Singh bedi	Independent Director	600	0.01%
6.	Ms. Sarabjeet Kaur Kocher	Women Director	-	-
7.	Ms. Richa Arora	Whole Time Director and Company Secretary	-	-
8.	Ms. Swarna Gowri S. (Resigned w.e.f 21.10.2017)	Chief Financial Officer	-	-
9.	Mr. Mayank Agarwal	Chief Financial Officer	-	-
	Total		31,46,730	68.6705%

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:

Name	Aggregate No. of Shares Purchased/ Sold	Nature of Transaction	Maximum Price	Date of Maximum Price	Minimum price (Rs.)	Date of Minimum Price
Rakesh Kumar Jain	1,50,000	Shares Acquired through Stock Exchange	50.70	17/04/2017	50.70	17/04/2017
Prerna Jain	25,000	Shares Acquired through Stock Exchange	50.70	17/04/2017	50.70	17/04/2017

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

Apart for the transactions made by Mr. Rakesh Kumar Jain in his capacity as Promoter of the Company, which are reflected under 9(a) above, 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 Buy Back 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:

Apart for the transactions made by Mr. Rakesh Kumar Jain in his capacity as Promoter of the Company, which are reflected under 9(a) above, 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 Buy Back 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 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 53,77,277 Equity Shares or such lower number of shares as required in compliance with the 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	4,10,043	4,10,043
2.	Rakesh Kumar Jain	31,45,910	31,45,910
3.	Prerna Jain	17,88,504	17,88,504
4.	Vidha Jain	24,510	24,510
5.	Aridhi Jain	8,310	8,310
	Total	53,77,277	53,77,277

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:

i. Hope Consultants Limited

Sr. No.	Date of Acquisition/ Disposal	No. of Equity Shares Acquired/(Sold)	Cost of Acquisition/Sale (in Rs. per Share)
1.	Up to August 31, 1994 [#]	47,500	Not Available
2.	January 20, 1995	405,200	10.00
3.	January 21, 1995 to March 31, 1996 [#]	(51,400)	Not Available
4.	August 20, 1996	300,575	12.50
5.	August 21, 1996 to May 07, 1997 [#]	(32,400)	Not Available
6.	October 25, 2000	570,000	14.00
7.	November 21, 2000	430,000	14.00
8.	November 22, 2000 to March 31, 2001 [#]	(70,500)	Not Available
9.	March 31, 2001 to March 31, 2002 [#]	60,000	Not Available
10.	April 01, 2006 ^S	2,256,068	Not Applicable
11.	February 05, 2014	(600,000)	33.00
12.	July 30, 2015	(600,000)	27.50
13.	July 8, 2016	(1,440,000)	17.40
14.	August 19 th , 2016	(865,000)	19.00

The exact dates of said acquisition/(sale) 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.

ii. Rakesh Kumar Jain

Sr. No.	Date of Acquisition/ Disposal	No. of Equity Shares Acquired/(Sold)	Cost of Acquisition/Sale (in Rs. per Share)
1.	Up to 1 st April, 2008#	97,910	7.00
2.	9 th August, 2010	45,215	25.00
3.	12 th August, 2010	30,296	25.00
4.	16 th August, 2010	37,399	25.00
5.	17 th August, 2010	46,500	25.00
6.	18 th August, 2010	45,829	25.00
7.	20 th August, 2010	45,790	25.00
8.	25 th August, 2010	20,600	25.00
9.	26 th August, 2010	46,371	25.00
10.	13 th December, 2010	45,000	25.00
11.	1 st June, 2011	470,000	26.70
12.	2 nd May, 2012	475,000	24.40
13.	5 th March, 2014	(300000)	38.00
14.	12 th June, 2014	(240000)	66.00
15.	30 th July, 2015	600000	27.50
16.	8 th July, 2016	290000	17.40
17.	19 th August 2016	1240000	19.02
18.	17 th April, 2017	150,000	53.00

The exact dates of said acquisition/(sale) are Not Available.

iii. Perna Jain

Sr. No.	Date of Acquisition/ Disposal	No. of Equity Shares Acquired/(Sold)	Cost of Acquisition/Sale (in Rs. per Share)
1.	Up to 1 st April, 2004#	271,220	13.00
2.	1 st September, 2010	45,700	25.00
3.	2 nd September, 2010	45,000	25.00
4.	3 rd September, 2010	18,800	25.00
5.	5 th March, 2014	(125000)	38.00
6.	10 th June, 2014	(200,000)	65.00
7.	1 st March, 2016	232,784	28.00
8.	4 th April, 2016	325,000	27.00
9.	8 th July, 2016	1,150,000	17.40
10.	17 th April, 2017	25,000	53.00

The exact dates of said acquisition/(sale) are Not Available.

iv. Vidha Jain

Sr. No.	Date of Acquisition/ Disposal	No. of Equity Shares Acquired/(Sold)	Cost of Acquisition/Sale (in Rs. per Share)
1.	Up to 1 st April, 1999	154,510	4
2.	9 th June, 2014	(130,000)	65

The exact dates of said acquisition/(sale) are Not Available.

v. **Aridhi Jain**

Sr. No.	Date of Acquisition/ Disposal	No. of Equity Shares Acquired/(Sold)	Cost of Acquisition/Sale (in Rs. per Share)
1.	Up to 1 st January, 2003	108,310	7
2.	9 th June, 2014	(100,000)	65

The exact dates of said acquisition/(sale) are Not Available.

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:

- i. That immediately following the date of the Board Meeting held on October 20th, 2017 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;
- ii. That as regards the Company's prospects for the year immediately following the date of the Board Meeting held on October 20th, 2017 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 Buy Back held on October 20th, 2017 as also from the date of the shareholders' resolution approving the proposed Buy Back;
- 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).

13)Confirmation from the Company as per the provisions of the Buy Back 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 Buy Back;
- (b) The Company shall not raise further capital for a period of one year from the closure of Buy Back offer except in discharge of its subsisting obligations;
- (c) The special resolution approving the Buy Back 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 Buyback Regulations or by the appropriate authorities). The exact time table for the Buy Back 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 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 Buy Back 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 Buy Back after the public announcement of the offer to Buy Back is made;
- (g) The Company shall not Buy Back 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 Buy Back.

In the opinion of the Board, the proposal for Buy Back is in the interest of the Company and its Members holding Equity Shares of the Company. The Board recommends the resolution as set in this Notice for approval of the Members as a Special Resolution.

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

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 October 20th, 2017 received from M/s Walecha Inder & Associates, Chartered Accountants, Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

Independent Auditor's Report on Buy Back of shares pursuant to the requirement of Schedule II to the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended

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

Subject: Statutory Auditor's report in respect of proposed Buy Back of equity shares by Frontline Securities Limited ("the Company") in terms of the clause (xi) of Part A of Schedule II of Securities and Exchange Board of India (Buy Back of Securities), Regulations, 1998 (as amended)

In connection with the proposal of Frontline Securities Limited ("the Company") to buy back 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 (Buy Back of Securities) Regulations, 1998, as amended ('the Regulations'), and in terms of the resolution passed by the directors of the Company in their meeting held on October 20th, 2017, 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 initiated 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 October 20th, 2017, have formed the opinion, as specified in Clause (X) of Part A of Schedule II 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 Buy Back 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 3 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, 2017.
 - ii. examined the authorization for Buy Back as per the Articles of Association of the Company;
 - iii. examined that the amount of capital payment for the Buy Back, 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 Buy Back;
 - v. examined that all shares for Buy Back 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 buy back 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, 2017, referred to in paragraph 4 (i) above, have been audited by us, on which we issued an unmodified audit report vide our report dated May 29th, 2017. 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,
- i. the Statement of Permissible Capital Payment towards Buy Back of Equity Shares, as contained in Annexure A, is in our view properly determined in accordance with Section 68 of the Act; and
 - ii. the Board of Directors, in their meeting held on October 20th, 2017, have formed the opinion, as specified in clause (x) of Part A of Schedule II 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 Buy Back will be declared; and
 - iii. 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.

For **Walecha Inder & Associates**
Chartered Accountants

Registration Number: 014205N

Inder Jeet Walecha

Partner

Membership Number: 093694

Place of Signature: New Delhi, India

Date: October 20th, 2017

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 Buy Back under Section 68(2)(c) of the Companies Act, 2013		
Particulars	Amount in Rs.	
Paid-up capital as at March 31 st , 2017* (71,86,689 Equity Shares of Rs. 10 each fully paid-up) (A)		7,18,66,890
Free Reserves as on March 31 st , 2017		
Securities Premium Account	2,37,54,125	
Surplus in Statement of Profit and Loss	21,63,68,768	
General Reserve	50,47,852	
Total Free Reserves as on March 31 st , 2017 (B)		24,51,70,745
Total (A+B)		31,70,37,635
Maximum amount permissible for the Buy Back (i.e. 25% of total paid-up equity capital and free reserves)		7,92,59,408
Amount approved by the Board of Directors for Buy Back		7,92,27,692

b) Maximum limit of Buy Back of Equity Shares in a financial year	
Particulars	No. Of Shares
Paid-up capital as at March 31, 2017*	71,86,689
25% thereof being maximum equity capital eligible for Buy Back	17,96,672
Maximum shares approved by the Board of Directors for Buy Back	12,77,866

**Calculation in respect to buy Back is done on the basis of Audited Financial Statements of the Company for the year ended March 31, 2017.*

For **Walecha Inder & Associates**
Chartered Accountants

Registration Number: 014205N

Inder Jeet Walecha
Partner
Membership Number: 093694
Date: October 20th, 2017

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 October 20th, 2017 and the date of passing the Shareholder's Resolution approving the proposed Buy Back, 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 October 20th, 2017 as well as the year immediately following the date of passing of the shareholders' resolution approving the proposed Buy Back, 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 Buy Back held on October 20th, 2017 as also from the date of the shareholders' resolution approving the proposed Buy Back;
- 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 Kumar Jain
(Director)
DIN: 00050524

Richa Arora
(Company Secretary &
Whole Time Director)
DIN: 07825684

Place: Noida
Date: October 20th, 2017

ITEM NO. 2

Rearrangement and Realignment of Objects Clause of the Memorandum of Association of the Company

Consent of Members by way of special Resolution through Postal Ballot/ e-voting is required for re-arrangement and realignment of object clauses. The entire set of proposed new Memorandum of Association, is available on Company's website www.fslindia.com.

The members are requested to take note that the amendment is subject to intimation/ approval given/ granted by/ to the SEBI, ROC and such other regulatory Authorities, if any.

Therefore Item no. 2 of this notice is circulated to the shareholders for their approval.

None of the Directors, Key Managerial Personnel or their relatives is/are in any way concerned or interested in any manner in passing of proposed Resolution set out in item number 2 of the Notice.

By Order of the Board
for Frontline Securities Limited

Place: New Delhi
Date: 20.10.2017

Richa Arora
Company Secretary
and Whole Time Director