

20th

**ANNUAL
REPORT**

2013-2014



FRONTLINE
SECURITIES LIMITED

CORPORATE INFORMATION

| | |
|---------------------------------------|--|
| Board of Directors | Mr. Rakesh K. Jain, Chairman Mr. Gauri Shanker Pandey Dr. C. S. Bedi Mr. Atul K. Jain Mr. Arun K. Jain Mr. Baljit Singh Bedi Mrs. Sarabjeet Kaur |
| Company Secretary | Avinash Chandra |
| Chief Financial Officer | CA. Bhawna Grover |
| Auditors | J. Jain & Company Chartered Accountants 202-H, Paras Bazar, Gali Ghante Wali Chandni Chowk Delhi-110006 |
| Registrar & Transfer Agent | Link Intime India Private Limited 44 Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR, Naraina, New Delhi – 110028 |
| Bankers | HDFC Bank, New Delhi |
| Registered Office | M-6, M-Block Market Greater Kailash-II, New Delhi-110 048 |
| Branch Office | B-22 Sector-4 Noida-201301 |
| CIN No. | L74899DL1994PLC058837 |
| Website | www.fslindia.com |

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NOTICE OF AGM

Notice is hereby given that the Twentieth Annual General Meeting of the Company will be held on Wednesday, September 17, 2014 at 9.45 a.m. at Air Force Auditorium, Subroto Park, New Delhi to transact the following business: -

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and Profit and Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
- 2) To declare dividend on the equity shares for the financial year ended March 31, 2014.
- 3) To appoint a Director in place of Mrs. Sarabjeet Kaur, (holding DIN No. 00013395), who retires by rotation and, being eligible, offers herself for reappointment.
- 4) Appointment of Auditors
To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s J.Jain & Company, Chartered Accountants (Firm Registration No. 004208N), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the twenty-third AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

- 5) Appointment of Mr. Arun K. Jain as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Arun K. Jain (DIN: 00050925), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 17, 2014 up to September 16, 2019.”

6) Appointment of Mr. Atul K. Jain as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Atul K. Jain (DIN: 00133750), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 17, 2014 up to September 16, 2019.”

7) Appointment of Dr. Charanjeet Singh Bedi as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Dr. Charanjeet Singh Bedi (DIN: 00095912), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 17, 2014 up to September 16, 2019.”

8) Appointment of Mr. Baljit Singh Bedi as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Baljit Singh Bedi (DIN : 00112425), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 17, 2014 up to September 16, 2019.”

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

Place : Noida
Date : May 30, 2014

Avinash Chandra
Company Secretary

NOTES:

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Item No. 4 to 8 is annexed hereto.
3. Corporate members intending to send their authorised representative to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. At the ensuing Annual General Meeting, Mrs. Sarabjeet Kaur, (holding DIN No. 00013395) retires by rotation and being eligible offer herself for reappointment. The information or details to be provided in terms of Clause 49 of the Listing Agreement is provided in the Report on Corporate Governance available elsewhere in this Report. The Board of Directors of the Company commends the said appointment.
5. M/s Link Intime India Private Limited, 44 Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi – 110028 is the Registrar and Share Transfer Agent for physical shares of the Company. Intime is also the depository interface of the Company with both NSDL and CDSL.
6. Members holding shares in physical form are requested to immediately notify change in their address, if any, to the Company at its Registered Office, quoting their Folio Number(s). Members holding shares in electronic form may update such details with their respective Depository Participant(s).
7. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, September 11, 2014, to Wednesday, September 17, 2014**, (both days inclusive).
8. Dividend on equity shares @10% on the paid-up equity share capital i.e. Re. 1 per equity share as recommended by the Board of Directors, if declared by the shareholders at the 20th Annual General Meeting, will be paid to those shareholders whose names appear on the Register of Members of the Company

as on September 11, 2014 and also to the Beneficial Owners of equity shares held in electronic form as per the details furnished by the Depositories for this purpose as on the close of business hours on September 10, 2014.

9. Members / proxies should bring the attendance slips duly filled in and signed for attending the meeting.
10. All material documents relating to the matters proposed in the Notice, Memorandum and Articles of Association of the Company etc are open for inspection to the members till the date of the Annual General Meeting from 11 a.m. till 1 p.m. on all working days at the registered office of the Company.
11. The Company has transferred unclaimed amounts of dividends paid upto March 31, 2006 to the General Revenue Account / Investor Education and Protection Fund of the Central Government as required under Sections 205A and 205C of the Companies Act, 1956. Further, shortly the Company will initiate the process of transfer of unclaimed dividend pertaining to the financial year 2006-2007 to the Investor Education and Protection Fund in October, 2014.

Members are therefore requested to encash their dividend warrants immediately for the year 2006-2007 and subsequent financial years. Members are requested to write to the Company and/ or Registrar and Share Transfer Agents, if any dividend warrant is due and pending to be paid so that fresh/revalidated warrants could be issued by the Company.

12. Payment of Dividend through ECS:

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

- a. Shareholders holding shares in physical form are advised to submit particulars of their bank account in the ECS Mandate Form, annexed to this report latest by Wednesday, September 10, 2014, to the Company Secretary at B-22, Sector-4, Noida, Uttar Pradesh-201301 or M/s Link Intime India private Limited at 44 Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi – 110028.
 - b. Shareholders holding shares in demat form are advised to inform the particulars of their bank account to their respective depository participants.
13. Members who hold shares in physical form may nominate a person in respect of all shares held by them whether singly or jointly. Members who hold shares singly are advised to avail of the nomination facility by filing Form 2B in their own interest. Blank forms will be provided by the Company on request. Members holding shares in demat form may contact their respective Depository Participants for recording of nomination.

14. To provide speedy redressal of investor grievances the Company has designated an e-mail ID viz. investor@fsltechnologies.com exclusively for registering complaints/grievances by investors.
15. Any queries relating to Accounts must be sent to the company at least 10 days before the date of the Annual General Meeting.
16. For effective communication, shareholders are requested to update their details as to address and e-mail id. For shareholders holding shares in physical form, the same may be provided in '**Shareholder Information Form**' provided in the Annual Report. Shareholders holding shares in demat form are requested to update the same with their Depository Participant(s).
17. **Request to Shareholders:**
 - a) Shareholders are requested to note that copies of the Annual Report will not be distributed at the venue of the meeting. Shareholders/Proxyholders/Authorized Representatives are, therefore, requested to bring their copies of the Annual Report to the meeting. The Annual Report along with formats is being posted on the Company's website at www.fslindia.com.
 - b) Electronic copy of the Annual Report for 2013-14 is being sent to all the shareholders whose email IDs are registered with the RTA / Depository Participant(s) for communication purposes unless any shareholder has requested for a hard copy of the same. For shareholders who have not registered their email address, physical copies of the Annual Report for 2013-14 are being sent in the permitted mode.
 - c) Electronic copy of the Notice of the 20th Annual General Meeting (AGM) of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being emailed to all the shareholders whose email IDs are registered with the RTA/Depository Participant(s) for communication purposes unless any shareholder has requested for a hard copy of the same. For shareholders who have not registered their email address, physical copies of the Notice of the 20th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
 - d) Shareholders may also note that the Notice of the 20th AGM and the Annual Report for 2013-14 will also be available on the Company's website www.fslindia.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at M-6, IInd Floor, M- Block Market, Greater Kailash- II, New Delhi-110048 for inspection during normal business hours on working days. Even after registering for e-communication, shareholders are entitled to receive such communication in physical form, upon making a specific request,

by post, free of cost. The shareholders may also send their requests to the Company's email-id: investor@fsltechnologies.com.

- e) **Shareholders may kindly note that no gift/gift coupon will be distributed at the meeting.**

18. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

The instructions for e-voting are as under:

(A) In case of members receiving e-mail:

- i. If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- ii. Log on to the e-voting website www.evotingindia.com.
- iii. Click on "Shareholders" tab to cast your votes.
- iv. Now, select the Electronic Voting Sequence Number- "EVSN" along with "Frontline Securities Limited" from the drop down menu and click on "SUBMIT".
- v. Now, fill up the following details in the appropriate boxes:

| | For members holding shares in demat form | For members holding shares in physical form |
|------------------------|--|--|
| User ID | For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digit beneficiary ID | Folio Number registered with the Company |
| PAN* | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) | |
| DOB# | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. | |
| Dividend Bank Details# | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. | |

- * Members who have not updated their PAN with the Company/ Depository Participant are requested to use the default number: "ABCDE1234F" in the PAN field.
- # Please enter any one of the details in order to login.
- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Change' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@ # \$ %& *). 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.
- viii. Click on the relevant EVSN on which you choose to vote. 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.
- ix. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- x. 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.
- xi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(B) In case of members receiving the physical copy of Notice of AGM [For members whose e-mail IDs are not registered with the company/depository participant(s) or requesting physical copy]:

Please follow all steps from sl. no. (ii) to sl. no. (x) above, to cast vote.

- (C) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- The voting period begins on Thursday, 11th September, 2014 at 9:00 a.m. and ends on Saturday, 13th September, 2014 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 8, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - Mr. Mohit Khemka, Chartered Accountant in Practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - The result of voting shall be declared by the Chairman of the meeting on or after the AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.fslindia.com and will be communicated to the Bombay Stock Exchange Ltd.
 - 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 or send email to Company at Investor@fsltechnologies.com or contact the Company or Registrar & Share Transfer Agent.

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

Place : Noida
Date : May 30, 2014

Avinash Chandra
Company Secretary

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

As required under section 102 of the Companies Act, 2013 (the Act), the following explanatory statement sets out all material facts relating to the business under Item Nos. 4- 8 of the accompanying Notice:

Item No. 4

This explanatory statement is provided though strictly not required as per section 102 of the Act.

As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, M/s. J. Jain & Company being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on May 30, 2014, proposed the appointment of M/s. J. Jain & Company as the statutory auditors of the Company for a period of three years to hold office from the conclusion of this AGM till the conclusion of the twenty-third AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM).

The Board commends the Resolution at Item No. 4 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

Item Nos. 5 to 8:

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Arun K. Jain, Mr. Atul K. Jain, Dr. C. S. Bedi and Mr. Baljit Singh Bedi as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number

of directors as independent directors, who are not liable to retire by rotation.

The Nominations Committee has recommended the appointment of these directors as Independent Directors from September 17, 2014, up to September 16, 2019.

Mr. Arun K. Jain, Mr. Atul K. Jain, Dr. C. S. Bedi and Mr. Baljit Singh Bedi, non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

A brief profile of the Independent Directors to be appointed is given below:

Mr. Arun K. Jain, an Electronics Engineer, has been associated with the Company as Director since the year 1994. With his rich experience, Mr. Arun K. Jain has contributed extensively to the growth of the Company. At present, Mr. Atul K. Jain holds 210 shares in the Company. Mr. Arun K. Jain is also a Director in Vardhman Electricals Pvt. Ltd. and is a Committee member of the Audit Committee and Stakeholder Relationship Committee of Frontline Securities Limited.

Mr. Atul K. Jain, a Chartered Accountant by profession, has been associated with the Company since incorporation. With his extensive business contacts and experience, Mr. Atul K. Jain has contributed significantly to the development of the Company with his expertise in Capital Market, Equity Research, Company Law & Finance. At present Mr. Atul K. Jain holds 10 shares in the Company. Mr. Atul K. Jain is also a Director in Frontline Capital Services Limited, Frontline Commodities and Derivatives Private Limited, Club One Airways Private Limited, AR Aerotech Private Limited, Niksar Finvest Private Limited and AR Airways Private Limited and is a Committee member of the Audit Committee and Stakeholder Relationship Committee of Frontline Securities Limited.

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

Mr. Baljit Singh Bedi, a Chartered Accountant by profession, has been associated with the company since the year 2008. Mr. Bedi has rich experience in the field of Foreign Exchange Regulations, Company Law Matters, Business Advisory Services, Statutory Audits

and Internal Audits. At present, Mr. Baljit Singh Bedi holds 600 shares in the company. Mr. Bedi is also on the Board of BSN Financial Services Private Limited and is a Committee member of the Audit Committee and Nomination & Remuneration Committee of Frontline Securities Limited.

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

Place : Noida
Date : May 30, 2014

Avinash Chandra
Company Secretary

DIRECTOR'S REPORT

Dear Shareholders,

The Directors take pleasure in presenting their Twentieth Annual Report along with the audited financial statements for the financial year ended March 31, 2014.

FINANCIAL RESULTS

The financial performance of the Company, for the year ended March 31, 2014 is summarized below:

(Rs. in Lakhs)

| Particulars | 2013-2014 | 2012-2013 |
|---|------------------|------------------|
| Profit before Depreciation and Amortization Expenses, Finance Costs and Tax Expenses | 473.59 | 534.15 |
| Less: Finance Costs | 0.05 | 0.06 |
| Depreciation & amortization expenses | 3.91 | 3.90 |
| Profit before tax | 469.63 | 530.19 |
| Less: Current Tax | 137.96 | 153.53 |
| Deferred Tax | (2.08) | (2.23) |
| MAT Credit | - | - |
| Profit for the year | 333.75 | 378.89 |
| Add: Balance in Profit & Loss Account | 1884.74 | 1666.21 |
| Total | 2218.49 | 2045.10 |
| Less: Appropriation: | | |
| Transferred to RBI Reserve | 66.75 | 75.78 |
| Proposed Dividend on equity shares | 71.87 | 71.29 |
| Proposed Dividend Tax | 12.21 | 12.11 |
| Contingency Provision against Standard Assets | (1.34) | (1.17) |

| | | |
|--|----------------|----------------|
| Amount used for buy back | 753.43 | - |
| Short Provision of Income Tax made in the previous year | 0.81 | 2.35 |
| Closing Balance | 1314.76 | 1884.74 |

PERFORMANCE OF THE COMPANY

During the year under review the Company has earned Profit before Tax of Rs. 469.63 lakhs and Profit after Tax of Rs. 333.75 lakhs.

FUTURE OUTLOOK

The year under review has seen volatile market environment due to global factors and election environment in the Country. The Company has been following conservative investment policy and there has been consistent stress on fee based financial services business. Due to this, the Company could maintain its performance. Considering the national election outcome which has provided majority to a single party, which in turn is expected to provide stable Government for next 5 years, the market environment for the current year looks positive. The stress is now more on financial activities instead of fee based business. Barring unforeseen circumstances, the Company expects to improve its performance in the coming years.

DIVIDEND

The Directors have recommended dividend @ 10% (i.e. Re. 1 per equity share) for the financial year ended March 31, 2014 as against 7.5% (i.e. Re. 0.75 per equity shares) in the previous year.

LISTING OF EQUITY SHARES

The equity shares of the Company are listed on the Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.

DELISTING OF EQUITY SHARES FROM DELHI STOCK EXCHANGE LIMITED

Since there has been no trading in the company's equity shares on Delhi Stock Exchange from 2002 (last trading date being March 8, 2002), the Company in its Board Meeting dated 14th March, 2014 passed a resolution for Voluntary Delisting with Delhi Stock Exchange. As the maximum trading of company's equity shares has been in demat form and Bombay Stock Exchange has trading terminals in various cities affording to the investors convenient access to trade and deal in the company's equity shares across the country, it has proceeded with the Delisting of the equity shares of the Company from Delhi Stock Exchange. Accordingly,

vide a letter dated 26th April, 2014, Delhi Stock Exchange has confirmed the Delisting of company's shares from Delhi Stock Exchange.

DIRECTORS

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Mr. Arun K. Jain, Mr. Atul K. Jain, Dr. Charanjeet Singh Bedi and Mr. Baljit Singh Bedi as Independent Directors of the Company.

As per section 149(4) of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors.

In accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company.

Mrs. Sarabjeet Kaur, Director, retires by rotation and being eligible has offered herself for re-appointment.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts for the financial year ended March 31, 2014, the applicable accounting standards have been followed along with proper explanations relating to material departures.
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for the year under review.
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. the Directors have prepared the accounts for the financial year ended March 31, 2014 on a going concern basis.

BUY BACK OF SHARES

During the year 2013-14, the Company bought back its shares from the existing shareholders through Tender Route. The Company had bought back 23,18,261 equity shares of Rs. 10/- each at a price of Rs. 32.50 aggregating to Rs. 753.43 lakhs (Rupees Seven Crore Fifty Three Lakhs and Forty Three Thousand Only). Pursuant to the said buy back, the paid up share capital of the Company stands reduced from Rs. 950,49,500 divided into 95,04,950 Equity Shares of Rs. 10/- each to Rs. 718,66,890 divided into 71,86,689 Equity Shares of Rs. 10/- each. The Company completed the Buy back on 7th February, 2014 and informed all the Regulatory Bodies as per regulations.

CORPORATE GOVERNANCE

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

AUDIT COMMITTEE

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

AUDITORS

M/s. J. Jain & Company, Chartered Accountants, who are the statutory auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s. J. Jain & Company as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the twenty-third AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

AUDITOR'S REPORT

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

FIXED DEPOSIT

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

RBI GUIDELINES

The Company has complied with the Regulations of the Reserve Bank of India as on 31st March, 2014, as are applicable to it as a Non-Banking Financial Company.

PARTICULARS OF EMPLOYEES

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

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

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

Foreign Exchange Earnings: Nil (Previous year: Nil)

Foreign Exchange Outgo: Nil (Previous year: Nil)

ACKNOWLEDGEMENT

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

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

Place : Noida
Date : May 30, 2014

Rakesh K. Jain
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure and Development

At the macro economy level, the challenges of the previous financial year in terms of low GDP Growth, sticky inflation and slowdown in the investment cycle continued during the financial year 2013-14.

The year under review has seen volatile market conditions mainly due to global factors and election environment in the country. Although economic data of the country were not encouraging, cash flow from FII's kept the stock market up and stable. Due to this, the profit after tax declined from Rs. 378.89 Lacs to Rs. 333.75 Lacs in the current year.

2. Opportunities and threats

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

3. Segment wise performance & outlook

During the year under review, the Company operates in one geographical segment i.e. India & has identified two business segments i.e. Segment-I which is Consultancy, Commission & Brokerage & Segment II Investments in Bonds, Fixed deposits & Loans & Advances. The company earned a profit before tax of Rs. 305.13 lakh from Segment I and profit before tax of Rs.104.15 lakh from Segment II.

Considering the national election outcome which has provided majority to a single party, which in turn is expected to provide stable Government for next 5 years, the market environment for the current year looks positive. Barring unforeseen circumstances, the Company expects to improve its performance in the coming years.

4. Risk and Concerns

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

5. Internal Control Systems

The company's internal control systems are commensurate with the nature of

its business and the size and complexity of its operations. These systems are designed to ensure that all the assets of the Company are safeguarded and protected against any loss and that all transactions are properly authorized, recorded and reported.

6. Financial Performance of the Company

(Rupees in Lakhs)

| Particulars | Year ended 31.03.2014 | Year ended 31.03.2013 |
|-------------------------|--------------------------|--------------------------|
| Revenue from operations | 491.82 | 512.12 |
| Other Income | 61.83 | 100.30 |
| Expenses | 84.02 | 82.23 |
| Profit Before Tax | 469.63 | 530.19 |
| Tax Expense | | |
| - Current Tax | 137.96 | 153.53 |
| - Deferred Income Tax | (2.08) | (2.23) |
| Profit After Tax | 333.75 | 378.89 |
| Proposed Dividend | 71.87 | 71.29 |

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

7. Human Resources

The Company recognizes that people play a critical role in achieving its goals. As on 31st March, 2014, Company had a team of talented and experienced employees, providing a wide range of Financial Services. The focus for the year was to build platforms and to put in place scalable processes that would meet the needs of our Company's growth agenda.

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

8. Disclosures

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

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

9. Cautionary Statement:

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied. Important factors that could make difference to the Company's operations include change in government regulations, tax regimes, economic developments within and outside India.

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

Place : Noida
Date : May 30, 2014

Avinash Chandra
Company Secretary

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Corporate Governance

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

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

2. Board Composition and Particulars of Directors

Board Composition

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Board consists of Executive and Non-Executive Directors. At present the strength of the Board is 7 Directors out of which 4 are Independent Directors. The composition of the Board and category of Directors are as follows:

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

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

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

The shareholding of non-executive directors as on March 31, 2014 is as follows:

| Name | No. of shares held |
|-------------------|---------------------------|
| Rakesh K. Jain | 1,105,910 |
| Atul K. Jain | 10 |
| Arun K. Jain | 210 |
| Dr. C.S. Bedi | Nil |
| Baljit Singh Bedi | 600 |
| Sarabjeet Kaur | Nil |
| Total | 1,106,730 |

Director Retiring by Rotation

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

Mrs. Sarabjeet Kaur, a Company Secretary and a Law Graduate has been associated with the Company since 2002. With her experience in corporate laws, Mrs. Sarabjeet Kaur has contributed extensively to the growth of the Company. She was the Whole Time Director and the Company Secretary from 2002 to 2013. Presently Mrs. Sarabjeet Kaur is a Director of the company and a member of the Stakeholder Relationship Committee of Frontline Securities Limited.

3. Board Meetings and Board Committee Meetings

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

Number of Board Meetings and dates on which held

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

| S. No. | Date of Board Meeting | Board Strength | No. of Directors Present |
|--------|-----------------------|----------------|--------------------------|
| 1. | April 5, 2013 | 7 | 7 |
| 2. | May 30, 2013 | 7 | 7 |
| 3. | July 30, 2013 | 7 | 7 |
| 4. | October 14, 2013 | 7 | 7 |
| 5. | October 31, 2013 | 7 | 6 |
| 6. | February 3, 2014 | 7 | 6 |
| 7. | February 25, 2014 | 7 | 5 |
| 8. | March 14, 2014 | 7 | 7 |

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

| S. No. | Name of Director | Attendance at Meetings during 2013-2014 | | No. of Other Directorships held (including private companies) | No. of Committee Memberships in all Companies |
|--------|--------------------------|---|----------|---|---|
| | | Board Meetings | Last AGM | As on 31.03.2014 | |
| 1 | Mr. Rakesh K. Jain | 7 | No | 8 | 1 |
| 2 | Mr. Atul K. Jain | 6 | Yes | 6 | 2 |
| 3 | Mr. Arun K. Jain | 6 | No | 1 | 3 |
| 4 | Dr. C S Bedi | 7 | No | 2 | 2 |
| 5 | Mrs. Sarabjeet Kaur | 5 | Yes | Nil | 1 |
| 6 | Mr. Baljit Singh Bedi | 7 | Yes | 1 | 2 |
| 7 | Mr. Gauri Shanker Pandey | 7 | Yes | 3 | - |

Board Committees:

a. Audit Committee of Directors (Audit Committee)

Composition

The Audit Committee comprises of 4 (four) Independent Directors. The Chairman is an Independent Director.

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

Meetings and attendance during the year are as follows:

The Audit Committee met four times during the Financial Year 2013-2014. The details of attendance at these meetings are as follows:

| Name of Member | Attendance at the meeting held on | | | |
|-----------------------|-----------------------------------|------------|------------|------------|
| | 28.05.2013 | 29.07.2013 | 30.10.2013 | 01.02.2014 |
| Mr. Atul K. Jain | Yes | Yes | Yes | Yes |
| Mr. Arun K. Jain | Yes | Yes | Yes | Yes |
| Dr. C.S. Bedi | Yes | Yes | Yes | Yes |
| Mr. Baljit Singh Bedi | Yes | Yes | Yes | Yes |

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

The Chairman of the Audit Committee was present at the 19th Annual General Meeting held on September 23, 2013.

b. Share Transfer and Investors Grievance Committee (now known as “Stakeholder Relationship Committee”)

The nomenclature of the committee has been changed to “Stakeholder Relationship Committee” in accordance with the provisions of the Companies Act, 2013.

The Stakeholder Relationship Committee has been constituted to attend to requests of dematerialization of shares, rematerialisation of shares, share transfer and to redress investor's grievance/complaints and regular correspondence such as non-receipt of Balance Sheet, non-receipt of Dividend and entertains such other related matters. During the financial year ended March 31, 2014, thirty (30) meetings of the Stakeholder Relationship Committee were held. The composition of the Committee and details of meetings held and attendance recorded of the members are as follows:

| Name of Member | No. of Meetings held | Attendance |
|----------------|----------------------|------------|
| Atul K. Jain | 30 | 30 |
| Arun K. Jain | 30 | 30 |
| Sarabjeet Kaur | 30 | 30 |

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

Mr. Avinash Chandra, Company Secretary is the Compliance Officer for complying with the requirements of Securities Laws and the Listing Agreements with the Stock Exchanges in India.

During the year under review the company has not received any complaint from investors/members and no investor complaint is pending as on March 31, 2014.

As on March 31, 2014, there is no pending request for share transfer, dematerialization or rematerialization of shares.

c. Remuneration Committee (now known as “Nomination and Remuneration Committee”)

The nomenclature of the committee has been changed to “Nomination and Remuneration Committee” in accordance with the provisions of the Companies Act, 2013.

The Nomination and Remuneration Committee comprises of 3 (three) Non-Executive Independent Directors viz., Mr. Arun K. Jain, Dr. C.S. Bedi and Mr. Baljit Singh Bedi. The committee has been constituted to identify persons who are qualified to become directors or senior management personnel. Further, the Committee recommends/ reviews remuneration of Managing Director(s) and Whole-Time Director(s), based on their performance and defined assessment criteria.

Remuneration Policy

At present no remuneration is being paid to the Non- Executive Directors. The details of the remuneration paid to Mr. Gauri Shanker Pandey, Whole Time Director during the year ending 31st March 2014 are as follows:

Mr. Gauri Shanker Pandey: Rs. 11,03,400

4. Code of Conduct

The Company has laid down a Code of Conduct for all the Board Members and Senior Management Personnel. All Board Members and Senior Management Personnel have confirmed compliance with the said code of conduct for the financial year ended March 31, 2014. The declaration to this effect signed by the Whole-Time Director forms part of the report.

5. CEO/CFO Certification

In accordance with the requirements of Clause 49(V) of the listing agreements, CA. Bhawna Grover, the CFO of the Company, have certified to the Board that to the best of their knowledge and belief, the financial statements and cash flow statements present a true and fair view of the Company's affairs

6. Details of General Body Meetings

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

| Year | Location | Date | Time | Whether any special resolution passed therein |
|---------|---|-----------------------|------------|---|
| 2010-11 | Air Force Auditorium Subroto Park New Delhi – 110 010 | September 05, 2011 | 09.45 A.M. | No |
| 2011-12 | Air Force Auditorium Subroto Park New Delhi – 110 010 | July 16, 2012 | 09.45 A.M. | No |
| 2012-13 | Air Force Auditorium Subroto Park New Delhi – 110 010 | September 23, 2013 | 09.45 A.M. | No |

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

7. Disclosures

1. The particulars of transactions between the Company and its related parties as per the Accounting Standard 18 “Related Party Disclosures” issued by the Institute of Chartered Accountants of India (ICAI) are disclosed in Note No. 2.22 of Notes to the Financial Statements. However, these transactions are not likely to have any conflict with the Company’s interest.
2. No Strictures/Penalties have been imposed on the Company by the Stock Exchange or the Securities and Exchange Board of India (SEBI) or any statutory authority on any matters related to capital markets during the last three years.
3. In the preparation of the financial statements, the Company has followed the Accounting Standards issued by ICAI. The significant accounting policies, which are consistently applied, have been set out in the Notes to the Financial Statements.
4. The Company has complied with all the mandatory requirements of the revised Clause 49 of the Listing Agreement.

8. Means of Communication of Financial Results

- The un-audited and the audited financial results are announced within the time frame stipulated under the Standard Listing Agreements with the Stock Exchanges. The aforesaid financial results are taken on record by the Board of Directors and are communicated to the Stock Exchanges where the company’s securities are listed.
- Once the Stock Exchange has been intimated, these results are published in newspapers, usually, English Newspaper: Financial Express and Hindi Newspaper: Jansatta.

9. General Member Information

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

| | |
|-------|---|
| Date | September 17, 2014 |
| Day | Wednesday |
| Time | 9.45 A.M. |
| Venue | Air Force Auditorium, Subroto Park, New Delhi – 110010 |

ii) Financial Calendar 2014-2015

| | |
|---|--|
| Results for the quarter ended June, 2014. | Will be announced on/ before 14 th August, 2014. |
| Results for the quarter ended September, 2014. | Will be announced on/ before 14 th November, 2014. |
| Results for the quarter ended December, 2014. | Will be announced on/ before 14 th February, 2015. |
| Results for the year ended 31 st March, 2015 | Will be announced on/ before 30 th May, 2015. |

| | |
|---------------------------------|---|
| iii) Book Closure Dates: | September 11, 2014 (Thursday) to September 17, 2014 (Wednesday) [both days inclusive] |
|---------------------------------|---|

| | | |
|----------------------------------|---|--|
| iv) Dividend Payment date | : | Credit/dispatch of dividend warrants between September 18, 2014 and September 28, 2014 |
|----------------------------------|---|--|

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

v) Other shareholder information

Listing on Stock exchange

The Equity shares of the Company are listed on the Bombay Stock Exchange. The listing fee has been paid to the stock exchange

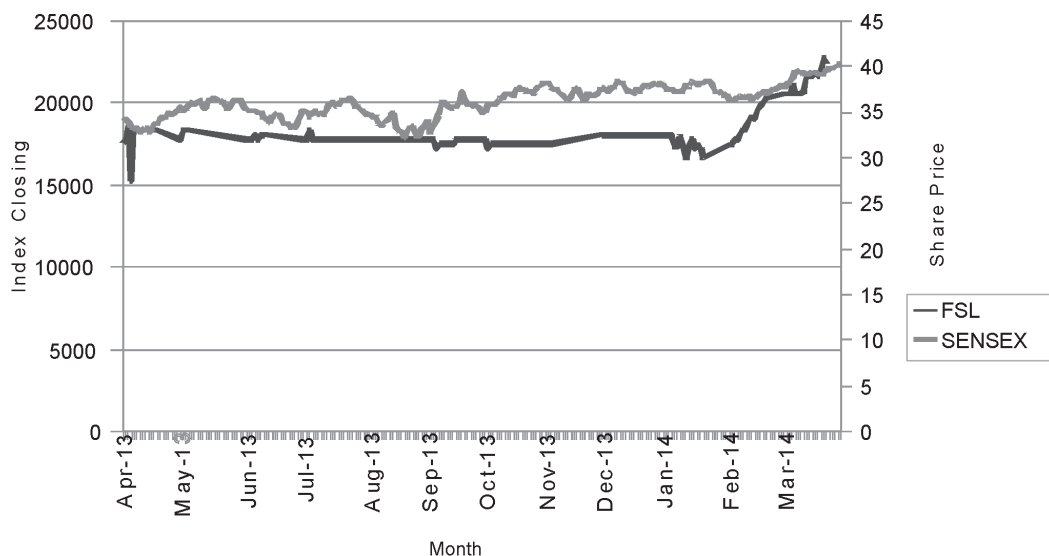
Stock code

533213 (Bombay Stock Exchange)

Stock Market Price Data

| Month | Bombay Stock Exchange (BSE) (In Rs. per share) | | Delhi Stock Exchange (DSE) (In Rs. per share) | |
|----------|---|-------------------|---|-------------------|
| | Month's High Price | Month's Low Price | Month's High Price | Month's Low Price |
| April-13 | 33.50 | 31.50 | No Market Price Data for the year under review is available as there was no trading on the Delhi Stock Exchange Limited, during this year. The Company's shares are delisted from Delhi Stock Exchange w.e.f. 28 th April, 2014. | |
| May-13 | 33.00 | 32.00 | | |
| June-13 | 32.50 | 32.00 | | |
| July-13 | 33.00 | 32.00 | | |
| Aug-13 | 32.00 | 32.00 | | |
| Sept-13 | 32.00 | 31.00 | | |
| Oct-13 | 32.00 | 31.00 | | |
| Nov-13 | 32.00 | 31.50 | | |
| Dec-13 | 32.50 | 32.50 | | |
| Jan-14 | 33.90 | 30.00 | | |
| Feb-14 | 37.00 | 30.00 | | |
| March-14 | 41.00 | 36.25 | | |

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



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

Registrar & Share Transfer Agents

M/s Link Intime India Private Limited
44 Community Centre, 2nd Floor,
Naraina Industrial Area, Phase-I,
Near PVR, Naraina,
New Delhi-110 028
E-Mail: delhi@linkintime.co.in

Share Transfer System

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

vi) Distribution of Shareholding as on March 31, 2014 is as follows:

| No. of Equity Shares held | Folios | | Shares | |
|---------------------------|-------------|----------------|----------------|----------------|
| | Numbers | % | Numbers | % |
| Up to 250 | 3538 | 86.588 | 219380 | 3.053 |
| 251 - 500 | 336 | 8.223 | 126169 | 1.756 |
| 501 – 1000 | 120 | 2.937 | 101591 | 1.414 |
| 1001 – 2000 | 47 | 1.150 | 65491 | 0.911 |
| 2001 – 3000 | 7 | 0.171 | 18900 | 0.263 |
| 3001- 4000 | 5 | 0.122 | 18300 | 0.255 |
| 4001- 5000 | 3 | 0.073 | 14000 | 0.195 |
| 5001 – 10000 | 6 | 0.147 | 37521 | 0.522 |
| 10001& above | 24 | 0.587 | 6585337 | 91.632 |
| TOTAL | 4086 | 100.000 | 7186689 | 100.000 |

vii) Shareholding Pattern as on March 31, 2014 is as follows:

| S.No. | Category | No. of equity shares | % of shares |
|-------|----------------------------|----------------------|---------------|
| 1. | Promoters | 5344943 | 74.373 |
| | Sub Total (A) | 5344943 | 74.373 |
| 2. | Public Shareholding | | |
| | o Bodies Corporate | 228245 | 3.176 |
| | o Individuals | 1190910 | 16.571 |
| | o Others | 422591 | 5.880 |
| | Sub Total (B) | 1841746 | 25.627 |
| | Grand Total (A)+(B) | 7186689 | 100.00 |

viii) Dematerialization of shares and Liquidity

As on 31st March 2014, 68,27,443 shares aggregating to 95.00% of the paid up share capital are held in dematerialized mode.

ix) Outstanding GDRs/ADRs/Warrants

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

x) Address for correspondence

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

Link Intime India Private Limited

44, Community Centre
2nd Floor, Naraina Industrial Area,
Phase I, Near PVR Naraina
New Delhi-110028
Contact No: 011-41410592/93/94

Frontline Securities Ltd.

M-6, M-Block Market
Greater Kailash-II
New Delhi-110048
Contact No: 011- 29212610

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

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

Place: Noida
Date : May 30, 2014

Avinash Chandra
Company Secretary

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

In accordance with Clause 49 ID of the Listing Agreement, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with Code of Conduct, as applicable to them, for the Financial Year ended on March 31, 2014.

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

Place: Noida
Date : May 30, 2014

Gauri Shanker Pandey
Whole-Time Director

Certification by the Chief Financial Officer of the Company pursuant to Clause 49 of the Listing Agreement

I, CA. Bhawna Grover, certify that:

- a) I have reviewed the financial statements and the cash flow of Frontline Securities Limited ('the company') for the year ended March 31, 2014 and to the best of my knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. There are no deficiencies in the design or operation of internal control.
- d) I have indicated to the Auditors and the Audit Committee that there are no:
 - i) significant changes in the internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year;
 - iii) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

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

Place: Noida
Date : May 30, 2014

CA. Bhawna Grover
Chief Financial Officer

AUDITOR'S CERTIFICATE

To,
The Members of
Frontline Securities Limited
New Delhi

We have examined the compliance of conditions of Corporate Governance by Frontline Securities Limited for the year ended 31st March 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Delhi Stock Exchange Limited.

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

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

1. We certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.
2. We state that as per the records maintained by the Company, during the year, all Investor Grievance / correspondence received from members have been suitably addressed.
3. We further state, such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Place: Noida
Date : 30.05.2014

(JAYANTI JAIN)
PARTNER
M.No-83450

INDEPENDENT AUDITORS REPORT

To the Members of
Frontline Securities Limited.

We have audited the accompanying financial statements of Frontline Securities Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of the Section 133 of Companies Act, 2013. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other legal and Regulatory Requirement

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

- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Place: Noida
Date : 30.05.2014

(JAYANTI JAIN)
PARTNER
M.No-83450

ANNEXURES TO THE AUDITOR'S REPORT OF FRONTLINE SECURITIES LIMITED FOR THE YEAR ENDED 31.03.2014 [REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE]

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

not reasonable having regard to the prevailing market prices for such goods, materials or services at the relevant time

- VI. According to the information and explanations given to us, the company has not accepted any deposit from the public covered under section 58A and 58AA of the Companies Act, 1956.
- VII. In our opinion, the company has an adequate internal audit system commensurate with its size and nature of its business.
- VIII. The nature of business of the Company is such that the provisions of Section 209(1) (d) of the Companies Act 1956, regarding the maintenance of Cost Records is not applicable to the Company and accordingly, no comments have been made in respect of matters specified under Clause (viii) of para 4 of Companies (Auditor's Report) Order 2003.
- IX. a) In our opinion and according to information and explanations given to us, the provisions of Custom Act, Excise Duty and Sales Tax are not applicable to the Company during the year and accordingly no comment has been made in respect of these dues. Further the company is regular in depositing other undisputed statutory dues including Provident Fund, Employee State Insurance, Investor Education & Protection Fund, Income Tax, Wealth Tax, Service Tax, Cess and any other statutory dues with the appropriate authority. There are no undisputed statutory dues payable in respect of Provident Fund, Employee State Insurance, Investor Education & Protection Fund, Income Tax, Wealth Tax, Service Tax, Cess and any other statutory dues, which are outstanding as at 31st March 2014 which were due for more than six months from the date they become payable.
- b) There are no statutory dues of Provident Fund, Employee State Insurance, Investor Education & Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise Duty, Cess and any other statutory dues which have not been deposited on account of any dispute.
- X. The Company has no accumulated losses as at 31st March 2014 and has not incurred cash loss during the current or previous financial year accordingly no comment has been made in respect of matter specified under clause (x) of para 4 of Companies (Auditor's Report) Order 2003.
- XI. The Company has not taken any amount from financial institution or bank or through debentures. Accordingly there is no question of default in repayment of these dues.

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

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

Place: Noida
Date : 30.05.2014

(JAYANTI JAIN)
PARTNER
M.No-83450

BALANCE SHEET AS AT 31ST MARCH 2014

(Amount in Rs.)

| | Note No. | As At 31.03.2014 | As At 31.03.2013 |
|------------------------------------|----------|---------------------|---------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 2.1 | 71,866,890 | 95,049,500 |
| (b) Reserves and Surplus | 2.2 | 254,226,454 | 281,367,497 |
| (2) Non-Current Liabilities | | | |
| (a) Long-term borrowings | 2.3 | 21,450,845 | 22,500,000 |
| (b) Long term provisions | 2.4 | 94,731 | 228,726 |
| (c) Other long term liabilities | 2.5 | 259,000 | 259,000 |
| (3) Current Liabilities | | | |
| (a) Trade payables | 2.6 | 45,300 | 2,160,159 |
| (b) Other current liabilities | 2.7 | 2,176,381 | 2,897,079 |
| (c) Short-term provisions | 2.8 | 8,912,382 | 8,439,434 |
| Total | | 359,031,983 | 412,901,395 |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | 2.9 | | |
| (i) Tangible Assets | | 49,375,824 | 45,374,821 |
| (ii) Intangible Assets | | 203,283 | 340,029 |
| (iii) Capital Work In Progress | | 117,000 | 117,000 |
| (b) Non-current investments | 2.10 | 185,565,647 | 200,352,935 |
| (c) Deferred tax Assets (Net) | | 1,049,910 | 841,954 |
| (d) Long Term Loans and Advances | 2.11 | 603,678 | 11,830,707 |
| (e) Other non-current assets | 2.12 | - | 5,000,000 |

(2) Current assets

| | | | |
|-----------------------------------|------|--------------------|--------------------|
| (a) Current investments | 2.13 | 56,850,000 | 7,500,000 |
| (b) Cash and bank balances | 2.14 | 24,160,510 | 58,878,776 |
| (c) Short-term loans and advances | 2.15 | 37,670,593 | 80,576,272 |
| (d) Other Current Assets | 2.16 | 3,435,538 | 2,088,901 |
| Total | | 359,031,983 | 412,901,395 |

Significant Accounting Policy & Notes to Accounts 1 & 2

FOR AND ON BEHALF OF THE BOARD

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

(RAKESH K. JAIN)
Director
DIN : 00050524

(GAURI SHANKER PANDEY)
Whole Time Director
DIN : 00050614

(JAYANTI JAIN)
Partner
M.No. 83450

(AVINASH CHANDRA)
Company Secretary

(CA. Bhawna Grover)
Chief Financial Officer

Place : Noida
Dated : 30.05.2014

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rs.)

| Particulars | Note No. | For the Year Ended 31.03.2014 | For the Year Ended 31.03.2013 |
|--|-----------------|-------------------------------------|-------------------------------------|
| I. Revenue: | | | |
| a) Revenue from operations | 2.17 | 49,182,060 | 51,212,229 |
| b) Other Income | 2.18 | 6,182,888 | 10,030,055 |
| Total Revenue | | 55,364,948 | 61,242,284 |
| II. Expenses: | | | |
| a) Employee benefit expense | 2.19 | 3,024,531 | 3,022,986 |
| b) Financial costs | 2.20 | 4,534 | 5,544 |
| c) Administrative & Other Expenses | 2.21 | 4,981,503 | 4,804,310 |
| d) Depreciation and Amortization expense | 2.9 | 391,277 | 390,498 |
| Total Expenses | | 8,401,845 | 8,223,338 |
| III. Profit before tax | (I - II) | 46,963,103 | 53,018,946 |
| IV. Tax expense | | | |
| (a) Current tax | | 13,796,087 | 15,352,620 |
| (b) Deferred tax | | (207,956) | (223,194) |
| V. Profit for the year | | 33,374,972 | 37,889,520 |
| VI. Earning per equity share: | | | |
| Basic | | 3.60 | 3.99 |
| Diluted | | 3.60 | 3.99 |
| Weighted average number of equity shares | | 9,276,989 | 9,504,950 |
| Face value per equity share (Rs.) | | 10 | 10 |

Significant Accounting Policy & Notes to Accounts 1 & 2

FOR AND ON BEHALF OF THE BOARD

"AS PER OUR REPORT ATTACHED OF EVEN DATE"

For J. JAIN & COMPANY

Chartered Accountants

Firm's Registration Number : 004208N

(RAKESH K. JAIN)
Director
DIN : 00050524

(GAURI SHANKER PANDEY)
Whole Time Director
DIN : 00050614

(JAYANTI JAIN)
Partner
M.No. 83450

(AVINASH CHANDRA)
Company Secretary

(CA. Bhawna Grover)
Chief Financial Officer

Place : Noida
Dated : 30.05.2014

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

| Particulars | For the year ended 31.03.2014 | For the year ended 31.03.2013 |
|---|-------------------------------------|-------------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit Before Taxation | 46,963,103 | 53,158,244 |
| Adjustments for Profit & Loss Account | | |
| Depreciation | 391,277 | 390,498 |
| Interest Income | (13,900,983) | (22,532,571) |
| Dividend Income | (1,598,471) | (1,301,612) |
| Profit on Sale of Investments (Net) | (4,179,417) | (8,410,443) |
| Sundry balances written off | 8 | 315 |
| Sundry balances written back | - | 22,020 |
| Money given for Buy back of shares | (75,343,483) | - |
| Loss / (Gain) on Sale of Fixed Assets | - (94,631,069) | - (31,831,793) |
| Operating Profit before working capital changes | (47,667,966) | 21,326,451 |
| Adjustments for Working Capital | | |
| Trade Payables | (2,114,859) | 1,170,345 |
| Trade Recievables | - | 842,980 |
| Increase/ (Decrease) in Other current liabilites | (720,698) | 226,519 |
| Increase/ (Decrease) in Short term provisions | 405,119 | 1,159,665 |
| (Increase)/ Decrease in Short term loans & advances | 42,358,847 | 50,296,659 |
| (Increase)/ Decrease in Other current assets | (1,346,637) | 150,451 |
| Cash Generated from Operations | 38,581,772 | 53,846,619 |
| Advance Tax/ TDS Paid | (13,304,179) | (15,542,158) |
| Net Cash From Operating Activities | (22,390,373) | 59,630,912 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| (Purchase) / Sale of Fixed Assets [Net] | (4,255,535) | (3,042,000) |
| (Purchase) of Investments | (266,235,883) | (378,936,007) |
| Sale of investments | 235,826,435 | 302,705,668 |
| Long Term Loans and Advances | 11,227,029 | (3,270,450) |

| | | |
|--|---------------------|---------------------|
| Interest Income | 13,900,983 | 22,532,571 |
| Long term Borrowings | (1,049,155) | - |
| Margin Money recd | 5,000,000 | - |
| Dividend Income | <u>1,598,471</u> | <u>1,301,612</u> |
| Net Cash Used in Investing Activities | (3,987,655) | (58,708,606) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Dividends paid (including unclaimed) | (7,128,713) | (7,128,713) |
| Dividend Distribution Tax | (1,211,525) | (1,211,525) |
| Long Term Borrowings | <u>-</u> | <u>-</u> |
| Net Cash Used in Financing Activities | (8,340,238) | (8,340,238) |
| Net Cash Used | (34,718,266) | (7,417,932) |
| Cash and cash Equivalents at the beginning of the Yr. | 58,878,776 | 66,296,709 |
| Cash and cash Equivalents at the end of the Yr. | 24,160,510 | 58,878,776 |

FOR AND ON BEHALF OF THE BOARD

"AS PER OUR REPORT ATTACHED OF EVEN DATE"

For J. JAIN & COMPANY

Chartered Accountants

Firm's Registration Number : 004208N

(RAKESH K. JAIN)
Director
DIN : 00050524

(GAURI SHANKER PANDEY)
Whole Time Director
DIN : 00050614

(JAYANTI JAIN)
Partner
M.No. 83450

(AVINASH CHANDRA)
Company Secretary

(CA. Bhawna Grover)
Chief Financial Officer

Place : Noida
Dated : 30.05.2014

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

CORPORATE INFORMATION

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

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

1. ACCOUNTING POLICIES

1.1 Method of Accounting

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

1.2 Use of Estimates

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

1.3 Fixed Assets

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

1.4 Depreciation

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

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

1.5 Valuation of the investments

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

1.6 Valuation of stock of securities

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

1.7 Revenue Recognition

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

1.8 Translation of Foreign Currency

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

1.9 Provision for Current and Deferred Tax

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

1.10 Miscellaneous Expenditure

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

1.11 Provisions & Contingencies

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

1.12 Government Grants

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

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

1.13 Borrowing Cost

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

1.14 Employee Benefits

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

1.15 Impairment of Fixed Assets

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

1.16 Segment Reporting

The Company operates in one geographical segment i.e. India & has identified two business segments i.e. Segment-I which is Consultancy, Commission & Brokerage & Segment - II Investments in Bonds, Fixed Deposits & Loans & Advances. Segment Profit or Loss is measured on the basis of Operating Profit or Loss of each respective segment. Segment Assets & Liabilities have been apportioned similarly.

1.17 Earning Per Share

Basic earnings per equity share are being computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. The EPS for the F.Y. 2012-13 has been restated as per the provision of Accounting Standard- 20 prescribed in the Companies (Accounting Standard) Rules, 2006 issued by the Central Government in consultation with the National Advisory Committee on Accounting Standard.

1.18 Provisions, Contingent Liability & Contingent Asset

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

2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

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

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

| Particulars | As At 31.03.2014 | | As At 31.03.2013 | |
|---|------------------|-------------------|------------------|-------------------|
| | Nos. | Amount | Nos. | Amount |
| AUTHORISED | | | | |
| Equity Shares of Rs.10/- each | 1,00,00,000 | 100,000,000 | 1,00,00,000 | 100,000,000 |
| ISSUED, SUBSCRIBED & PAID-UP | | | | |
| Equity shares of Rs.10/- each fully paid up | 7,186,689 | 71,866,890 | 95,04,950 | 95,049,500 |
| Total | 7,186,689 | 71,866,890 | 95,04,950 | 95,049,500 |

The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2014 and March 31, 2013 is set out below -

(Amount in Rs.)

| Particulars | As At 31.03.2014 | | As At 31.03.2013 | |
|---------------------------------------|------------------|-------------------|------------------|-------------------|
| | Nos. | Amount | Nos. | Amount |
| No. of share at the beginning | 9,504,950 | 95,049,500 | 9,504,950 | 95,049,500 |
| Add - Shares issued during the year | - | - | - | - |
| Less - Shares buyback during the year | (2,318,261) | (23,182,610) | - | - |
| No. of share at the end | 7,186,689 | 71,866,890 | 9,504,950 | 95,049,500 |

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

| Particulars | As At 31.03.2014 | | As At 31.03.2013 | |
|------------------------------------|------------------|--------------|------------------|--------------|
| | Nos. | % | Nos. | % |
| Mr Rakesh K Jain | 1,105,910 | 15.39 | 1,405,910 | 14.79 |
| Hope Consultants Limited | 3,315,043 | 46.13 | 3,915,043 | 41.19 |
| Frontline Capital Services Limited | 405,000 | 5.64 | 1,130,000 | 11.89 |
| Total | 4,825,953 | 67.15 | 6,450,953 | 67.87 |

2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014**Proposed Dividend**

| Particulars | As At 31.03.2014 | As At 31.03.2013 |
|--|------------------|------------------|
| Dividend per Share on shares @ Rs. 10 each | 1.00 | 0.75 |
| Dividend Proposed % | 10.0 | 7.5 |

Buy-back of Equity Shares

| Particulars | As At 31.03.2014 | As At 31.03.2013 |
|--|------------------|------------------|
| Aggregate number of equity shares bought back by the Company during the period of five years immediately preceeding the Balance Sheet date | 2,318,261 | NIL |
| Total | 2,318,261 | NIL |

In terms of decision of the Board of Directors dated 14.10.2013 and in accordance with the provisions of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, the Company offered to buy-back its equity shares of face value of `10 each, up to a maximum amount of Rs. `771.82' lakhs at a maximum price of Rs. `32.50' per share through tender offer. The Company commenced the buy-back on 02.01.2014 and closed the same on 07.02.2014 and has bought back 23, 18,261 equity shares at an average price of Rs. `32.50' per share (excluding brokerage and other taxes), utilizing a sum of Rs. `753.43' lakhs. On account of buy-back of shares, the Company has created Capital Redemption Reserve towards the face value by way of appropriation against Profit & Loss Account. The amount paid towards buy-back of shares, in excess of the face value, has been appropriated out of Profit & Loss Account. In terms of the provisions of Section 77A of the Companies Act, 1956 and SEBI (Buy-back of Securities) Regulations, 1998, all the shares bought back have been extinguished.

After completion of the above buyback the public shareholding fell below 25% of the total shareholding of the company. In pursuance of the listing agreement the public shareholding should be 25% and above of the total shareholding of the company. To comply the same the promoters of the company Mr. Rakesh K Jain sold 3 lac shares & Mrs. Prerna Jain sold 1.25 lac shares through Offer For Sale (OFS) executed through Bombay Stock Exchange on 05.03.2014.

2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rs.)

| Particulars | As At 31.03.2014 | As At 31.03.2013 |
|---|---------------------|---------------------|
| 2.2 RESERVES AND SURPLUS | | |
| A) General Reserves | | |
| Opening Balance | 5,047,852 | 5,047,852 |
| (+) Current year transfer | - | - |
| Closing Balance | 5,047,852 | 5,047,852 |
| B) Security Premium Account | | |
| Opening Balance | 23,754,125 | 23,754,125 |
| (+) Current year transfer | - | - |
| Closing Balance | 23,754,125 | 23,754,125 |
| C) RBI Reserve | | |
| Opening Balance | 64,091,291 | 56,513,387 |
| (+) Current year transfer | 6,674,994 | 7,577,904 |
| Closing Balance | 70,766,285 | 64,091,291 |
| D) Capital Redemption Reserve | | |
| Opening Balance | - | - |
| (+) Current year transfer | 23,182,610 | - |
| Closing Balance | 23,182,610 | - |
| D) Surplus | | |
| Opening Balance | 188,474,229 | 166,621,492 |
| (+) Net Profit/ (Net Loss) for the current year | 33,374,972 | 37,889,520 |
| (-) Proposed Dividend | (7,186,690) | (7,128,713) |
| (-) Proposed Dividend Tax | (1,221,378) | (1,211,525) |
| (-) Transfer to RBI Reserves | (6,674,994) | (7,577,904) |
| (-) Contingency Provision against Standard Assets | 133,996 | 116,574 |
| (-) Reserve used for the Buyback | (75,343,483) | - |
| (-) Short provision of income tax made in the previous year | (81,070) | (235,215) |
| Closing Balance | 131,475,582 | 188,474,229 |
| Grand Total | 254,226,454 | 281,367,497 |

The Board of Directors at its meeting held on May 30, 2014 has recommended a final dividend of 10% (Rs. 1 per equity share of Rs.10/- each) for the F.Y. 2013-14 subject to the approval of shareholders.

2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rs.)

| Particulars | As At 31.03.2014 | As At 31.03.2013 |
|---|---------------------|---------------------|
| 2.3 LONG TERM BORROWING | | |
| Payable to Greater Noida Authority for Land | 21,450,845 | 22,500,000 |
| | 21,450,845 | 22,500,000 |
| 2.4 LONG TERM PROVISIONS | | |
| Contingency Provision against Standard Assets | 94,731 | 228,726 |
| Total | 94,731 | 228,726 |
| 2.5 OTHER LONG TERM LIABILITIES | | |
| Security Deposit | 259,000 | 259,000 |
| | 259,000 | 259,000 |
| 2.6 TRADE PAYABLE | | |
| Sundry Creditors | 45,300 | 120,894 |
| Commission & Brokerage Payable (Net) | - | 2,039,265 |
| | 45,300 | 2,160,159 |
| 2.7 OTHER CURRENT LIABILITIES | | |
| Expenses Payable | 1,121,481 | 1,178,159 |
| TDS payable | 157,070 | 275,801 |
| Unclaimed Dividend | 897,830 | 746,133 |
| Interest Income received but not accrued | - | 696,986 |
| | 2,176,381 | 2,897,079 |
| 2.8 SHORT TERM PROVISIONS | | |
| Gratuity Payable | 12,407 | 99,196 |
| Proposed Dividend | 7,186,690 | 7,128,713 |
| Corporate Dividend tax | 1,221,378 | 1,211,525 |
| Provision for income tax | 491,908 | - |
| | 8,912,382 | 8,439,434 |

"There is no amount due for the payment to the Investor Education and Protection Fund under section 205C of the Companies Act, 1956 as at the year end in respect of Unpaid Dividend"

2.9 FIXED ASSETS

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---------------------------------|-------------------|--------------------------|---------------------------|-------------------|------------------|--------------------------|--------------------------|------------------|-------------------|-------------------|
| | Rate of Depreciation as per SLM | As At 1.04.2013 | Addition During The Year | Deduction During The Year | As At 31.03.2014 | As At 1.04.2013 | Provided During The Year | Adjusted During The Year | As At 31.03.2014 | As At 31.03.2014 | As At 31.03.2013 |
| (i) Tangible Assets | | | | | | | | | | | |
| Leasehold Land* | | 40,636,573 | 4,245,335 | - | 44,881,908 | - | - | - | - | 44,881,908 | 40,636,573 |
| Building | 1.63% | 4,319,000 | - | - | 4,319,000 | 739,018 | 70,400 | - | 809,418 | 3,509,582 | 3,579,982 |
| Office Equipments | 4.75% | 685,156 | - | - | 685,156 | 352,217 | 32,545 | - | 384,762 | 300,394 | 332,939 |
| Computer Equipments | 16.21% | 419,579 | - | - | 419,579 | 169,698 | 68,014 | - | 237,712 | 181,867 | 249,881 |
| Furniture & Fixture | 6.33% | 238,610 | - | - | 238,610 | 77,968 | 15,104 | - | 93,072 | 145,538 | 160,642 |
| Vehicles | 9.50% | 613,361 | - | - | 613,361 | 198,557 | 58,269 | - | 256,826 | 356,535 | 414,804 |
| Total | | 46,912,279 | 4,245,335 | - | 51,157,614 | 1,537,458 | 244,332 | - | 1,781,790 | 49,375,824 | 45,374,821 |
| (ii) Intangible Assets | | | | | | | | | | | |
| Software | 16.21% | 901,700 | 10,200 | - | 911,900 | 561,672 | 146,945 | - | 708,617 | 203,283 | 340,029 |
| Total | | 901,700 | 10,200 | - | 911,900 | 561,672 | 146,945 | - | 708,617 | 203,283 | 340,029 |
| (iii) Capital Work In Progress | | | | | | | | | | | |
| "Building Work in Progress on Leasehold Land" | | 117,000 | - | - | 117,000 | - | - | - | - | 117,000 | 117,000 |
| Total | | 117,000 | - | - | 117,000 | - | - | - | - | 117,000 | 117,000 |
| Grand Total | | 47,930,979 | 4,255,535 | - | 52,186,514 | 2,099,130 | 391,277 | - | 2,490,406 | 49,696,108 | 45,831,850 |
| PREVIOUS YEAR | | 44,888,979 | 3,042,000 | - | 47,930,979 | 1,708,632 | 390,498 | - | 2,099,130 | 45,831,850 | 43,180,349 |

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

2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rs.)

| Scrip Name | Face Value | As At 31.03.2014 | | As At 31.03.2013 | |
|------------|------------|-------------------------|-------|-------------------------|-------|
| | | Nos. of Shares/Units | Value | Nos. of Shares/Units | Value |

2.10 NON CURRENT INVESTMENTS**(i) Unquoted Investments**

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

(ii) Quoted (Non Trade Investments)

| | | | | | |
|---|----|--------|-----------|--------|-----------|
| Andhara Cement Limited | 10 | 54,784 | 475,232 | 44,784 | 413,122 |
| Asian Paints Limited | 1 | - | - | 100 | 405,498 |
| BASF India Limited | 10 | - | - | 800 | 481,951 |
| Bharat Petroleum Corporation Limited | 10 | 3,500 | 1,221,832 | 2,000 | - |
| Cairn India Ltd | 10 | - | - | 2,000 | 617,025 |
| Chambal fertilizers & Chemicals Ltd | 10 | - | - | 10,000 | 567,233 |
| Corporation Bank | 10 | 2,000 | 524,601 | 2,500 | 1,011,226 |
| Exide Industries Ltd | 1 | - | - | 6,000 | 833,340 |
| Gateway Distriparks Ltd | 10 | - | - | 8,000 | 1,079,296 |
| Gold Bees | 10 | 15 | 41,654 | 15 | 41,654 |
| Hindustan Zinc Ltd | 2 | 4,000 | 467,356 | 7,500 | 901,368 |
| Pidilite Industries Limited | 1 | - | - | 2,000 | 382,702 |
| Shree Renuka Sugars Limited | 1 | - | - | 31,000 | 1,215,544 |
| TV 18 Broadcast Limited | 2 | 15,000 | 391,038 | 30,000 | 749,241 |
| Seimens Limited | 2 | - | - | 1,000 | 522,809 |
| Sun Pharma Ceuticals Industries Limited | 1 | 3,000 | 253,490 | - | - |
| Ruchira Papers Ltd | 10 | - | - | 20,450 | 327,943 |
| Divi's Laboratories Ltd | 2 | 1,250 | 1,490,744 | - | - |
| Dr Reddy's Laboratories Ltd | 5 | 650 | 1,790,038 | - | - |
| Spice jet Limited | 10 | 25,000 | 396,871 | - | - |
| Polyplex Corporation Limited | 10 | 606 | 85,440 | - | - |

| | | | | | |
|--|----|--------|-------------------|--------|-------------------|
| JK Tyre & Industries Limited | 10 | 1,500 | 206,485 | - | - |
| Mawana Sugars Limited | 10 | 46,911 | 327,427 | 4,000 | 52,961 |
| Polaris Financial Technology Limited | 5 | 9,500 | 1,444,472 | - | - |
| MPHASIS Ltd | 10 | 4,000 | 1,534,523 | - | - |
| Punjab & Sind Bank | 10 | 10,000 | 411,436 | 12,500 | 804,399 |
| Sanofi India Limited | 10 | 800 | 2,170,125 | - | - |
| Hindalco Industries Ltd | 1 | 2,000 | 197,466 | - | - |
| Oil India Limited | 10 | - | - | 3,000 | - |
| Jaiprakash Associates Limited | 2 | 5,750 | 247,029 | - | - |
| HDFC Limited | 2 | 2,000 | 1,579,231 | - | - |
| IPCA Laboratories Ltd | 2 | 1,750 | 1,421,195 | - | - |
| Udaipur Cement Works Limited | 10 | 10,100 | 9,595 | 10,100 | 9,595 |
| Lumax Automotive Systems Limited | 10 | 50 | - | 50 | - |
| Reliance Industries Limited | 10 | 13,500 | 11,327,490 | 13,600 | 11,999,522 |
| Simbhaoli Sugars Limited | 10 | 7,500 | 247,371 | 7,500 | 247,371 |
| Reliance Capital Limited | 10 | 60 | - | 60 | - |
| Procter & Gamble Hygiene & Health Care Limited | 10 | 401 | 1,234,260 | - | - |
| Reliance Power Limited | 10 | 300 | - | 300 | - |
| Tata Consultancy Services Limited | 1 | 250 | 524,796 | - | - |
| Infosys Ltd | 5 | 775 | 2,549,578 | - | - |
| Rane Brake Lining Ltd | 10 | - | - | 1,167 | 131,441 |
| IDBI Bank Limited | 10 | 27,500 | 1,928,252 | 25,000 | 2,704,322 |
| Tech Mahindra Ltd | 10 | 250 | 371,694 | - | - |
| ITC Limited | 1 | 4,500 | 1,413,386 | - | - |
| EIH Limited | 2 | 14,500 | 769,689 | 25,500 | 2,022,760 |
| Canara Bank | 10 | 6,500 | 1,467,582 | - | - |
| CIPLA Ltd | 2 | 3,000 | 1,157,470 | - | - |
| Emami Limited | 1 | 3,500 | 1,061,489 | - | - |
| GIC Housing Finance Ltd | 10 | 16,000 | 1,711,540 | - | - |
| Godrej Consumer Product Ltd. | 1 | 2,000 | 1,526,135 | - | - |
| Larsen & Tourbo Ltd | 2 | 3,250 | 2,389,991 | - | - |
| LUPIN Ltd | 2 | 500 | 478,117 | - | - |
| Maruti Suzuki India Ltd | 5 | 2,000 | 3,279,521 | - | - |
| HDFC Bank Ltd | 2 | 2,500 | 1,638,326 | - | - |
| TOTAL (B) | | | 51,763,967 | | 27,522,323 |

2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rs.)

| Scheme Name | As At 31.03.2014 | | As At 31.03.2013 | |
|---|-------------------------|------------|-------------------------|------------|
| | Nos. of Shares/Units | Value | Nos. of Shares/Units | Value |
| MUTUAL FUND | | | | |
| LIQUID/DEBT-GROWTH | | | | |
| UTI Liquid Cash Plan Institutional - Growth Option | 1,316 | 2,750,000 | - | - |
| Canara Robeco Floating Rate Short Term Growth Fund | 128,320 | 2,280,605 | 128,320 | 2,280,605 |
| Canara Robeco Treasury Advantage Super Instt Growth Fund | 24,013 | 41,650,000 | 24,013 | 41,650,000 |
| DWS Insta Cash Plus Fund Super Institutional Plan Bonus Option | 6,997 | - | 6,997 | - |
| HDFC Cash Management Fund - Treasury Advantage Plan - Retail - Growth | - | - | 77,776 | 1,887,749 |
| ICICI Prudential Liquid Plan - Regular Plan - Growth Option | 47,052 | 8,808,162 | - | - |
| Reliance Medium Term Fund Growth Plan | 18,002 | 421,822 | 214,681 | 5,030,450 |
| Reliance Money Manager Fund - Institutional Option - Growth Plan | 11,090 | 17,266,885 | 16,551 | 25,766,425 |
| SBI Short Horizon Debt Fund - Ultra Short Term Fund - Retail Plan - Growth | 3,154 | 4,550,000 | 3,154 | 4,550,000 |
| UTI Treasury Advantage Fund Institutional Plan (Growth Option) | 22,552 | 34,996,088 | 36,634 | 56,633,470 |
| Reliance Liquid Fund - Treasury Plan - Growth Plan | 5 | 15,172 | - | - |
| Franklin US Opportunities Fund | 258,894 | 4,000,000 | - | - |
| Bond Fund | | | | |
| HSBC Flexi Debt Fund - Growth | - | - | 322,475 | 5,000,000 |
| Reliance Dynamic Bond-Growth Plan-Growth Option | - | - | 333,738 | 5,000,000 |
| FMP Mutual Fund | | | | |
| Reliance Fixed Horizon Fund - XXIII - Series 2 - Growth Option | - | - | 700,000 | 7,000,000 |

MUTUAL FUND-EQUITY

| | | | | |
|------------------------------------|--------|--------------------|--------|--------------------|
| ICICI Prudential Dynamic Plan-Div | - | - | 26,961 | 500,000 |
| Reliance Banking Fund- Growth Plan | 8,018 | 780,586 | - | - |
| HDFC Top 200 Fund - Dividend | 51,539 | 2,400,000 | 51,539 | 2,400,000 |
| Total (C) | | 119,919,320 | | 157,698,699 |

Bonds

| | | | | |
|---|--------|-------------------|--------|-------------------|
| 01006 GOI 2021 | 50,000 | 5,910,720 | 50,000 | 5,910,720 |
| 6.9% GOI 2019 (Central Govt. Loan 09009) | 5,000 | 498,529 | 5,000 | 498,529 |
| Tata Capital Financial Services Ltd | - | - | 1,235 | 1,249,553 |
| Central govt.Loan 07003 GOI | 62,000 | 6,244,801 | 62,000 | 6,244,801 |
| Total (D) | | 12,654,050 | | 13,903,603 |

| | | | | |
|------------------------|--|--------------------|--|--------------------|
| Total (A+B+C+D) | | 185,565,647 | | 200,352,935 |
|------------------------|--|--------------------|--|--------------------|

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

Notes:

- Aggregate cost of unquoted investment is Rs. 1,228,310/- (Previous year Rs 1,228,310/-)
- Aggregate cost of quoted investment is Rs. 51,763,967/- (previous year Rs 27,522,323/-)
- Aggregate cost of mutual fund is Rs. 119,919,320/- (Previous year Rs. 157,698,699/-)
- Market value of quoted Investment is Rs. 60,042,430 /-(Previous year Rs. 26,181,394/-)
- Market value of Mutual Fund is Rs. 133,487,727/- (Previous Year Rs. 162,248,117/-)
- No provision has been made for reduction in market value, if any, in any particular share or mutual fund as in the opinion of the management, the same are temporary in nature.

2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rs.)

| Particulars | As At 31.03.2014 | As At 31.03.2013 |
|---|---------------------|---------------------|
| 2.11 LONG TERM LOANS AND ADVANCES | | |
| Loans - Considered as good | 603,678 | 11,830,707 |
| | 603,678 | 11,830,707 |
| 2.12 OTHER NON CURRENT ASSETS | | |
| Margin Money Paid | - | 5,000,000 |
| | - | 5,000,000 |
| 2.13 MUTUAL FUND LIQUID - FMP | | |
| HDFC FMP 371D July 2012 Growth Option | - | 500,000 |
| HDFC FMP 371D September 2012 Growth Option | - | 250,000 |
| DSP BlackRock FMP – Series 150 - Growth Option | 250,000 | - |
| DSP BlackRock FMP – Series 154 - Growth Option | 25,000 | - |
| HDFC FMP 370D August 2013 (2) - Growth Option | 525,000 | - |
| HDFC FMP 370D July 2013 (3)-Growth Option | 1,500,000 | - |
| HDFC FMP 370D March 2014 (1)-Growth Option | 800,000 | - |
| HDFC FMP 370D September 2013 (1)-Growth Option | 90,000 | - |
| ICICI Prudential Fixed Maturity Plan-Series 73-391 Days | 150,000 | - |
| Reliance Fixed Horizon Fund - XXIII - Growth Option | 700,000 | - |
| Reliance Fixed Horizon Fund - XXIV - Growth Option | 460,000 | - |
| Reliance Fixed Horizon Fund - XXIV - Growth Plan | 150,000 | - |
| UTI FTIF Series XV -X (368 DAYS) – Growth Option | 250,000 | - |
| UTI FTIF Series XVII –XX (369 DAYS)-Growth Option | 550,000 | - |
| UTI FTIF Series XVIII –IV (366 DAYS)- Growth Option | 235,000 | - |
| | 5,685,000 | 750,000 |
| | 56,850,000 | 7,500,000 |

a. Aggregate cost of mutual fund is Rs. 56,850,000/- (Previous year Rs. 75,00,000)

b. Market value of Mutual Fund is Rs. 59,707,986/- (Previous Year 7,887,250)

2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rs.)

| Particulars | As At 31.03.2014 | As At 31.03.2013 |
|------------------------------------|---------------------|---------------------|
| 2.14 CASH AND BANK BALANCES | | |
| a. Cash and cash equivalents | | |
| i. Balances with banks | | |
| In Current Account | 57,049 | 4,222,739 |
| In Special Account | 1,000 | - |
| ii. Cash in hand | 4,631 | 9,904 |
| | 62,680 | 4,232,643 |
| b. Other Bank balances | | |
| i. In Unpaid Dividend Account | 897,830 | 746,133 |
| ii. Other Fixed deposits | 23,200,000 | 53,900,000 |
| | 24,160,510 | 58,878,776 |

2.15 SHORT TERM LOAN & ADVANCES

| | | |
|---|-------------------|-------------------|
| Loan & Advances Recoverable in Cash or in Kind or for value to be received and consider as good | 83,000 | 70,876 |
| Advance Tax/TDS | 298,822 | 845,654 |
| Loan - consider as good | 37,288,771 | 79,659,742 |
| | 37,670,593 | 80,576,272 |

2.16 OTHER CURRENT ASSETS

| | | |
|---|------------------|------------------|
| Prepaid Exp | 179,051 | 1,273 |
| Security Deposits | 20,600 | 20,600 |
| Interest Accrued But Not received | 756,535 | 1,344,244 |
| Amount Recievable from Share Broker | 221,128 | 722,784 |
| Commission & Brokerage Recievable (Net) | 2,258,224 | - |
| | 3,435,538 | 2,088,901 |

2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rs.)

| Particulars | As At 31.03.2014 | As At 31.03.2013 |
|--|---------------------|---------------------|
| 2.17 INCOME FROM OPERATION | | |
| Commission & Brokerage | 34,810,114 | 28,021,113 |
| Income from consultancy | 470,000 | 470,000 |
| Interest | | |
| - Interest on Tax Free Bonds | 17,250 | 34,405 |
| - On Loans & Bonds | 9,405,158 | 17,091,191 |
| - On Bank Deposits | 4,478,575 | 5,406,975 |
| Profit / (Loss) from Speculation (Net) | 963 | 188,545 |
| | 49,182,060 | 51,212,229 |

2.18 OTHER INCOME

| | | |
|------------------------------------|------------------|-------------------|
| Rent Recieved | 318,000 | 318,000 |
| Miscellaneous Income | 12 | - |
| Interest on Income Tax Refund | 86,988 | - |
| Profit on Sale of Investment (Net) | 4,179,417 | 8,410,443 |
| Dividend on Non Trade Securities | 1,598,471 | 1,301,612 |
| | 6,182,888 | 10,030,055 |

2.19 EMPLOYEES BENEFIT EXPENSES

| | | |
|--|------------------|------------------|
| Salary, Wages & Other Benefits | 2,818,501 | 2,789,466 |
| Contribution to Provident Fund & Other Funds | 103,129 | 108,383 |
| Staff Welfare | 53,911 | 25,941 |
| Gratuity | 48,990 | 99,196 |
| | 3,024,531 | 3,022,986 |

2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rs.)

| Particulars | For the Year ended 31.03.2014 | For the Year ended 31.03.2013 |
|-------------|----------------------------------|----------------------------------|
|-------------|----------------------------------|----------------------------------|

2.20 FINANCIAL CHARGES

| | | |
|--------------|--------------|--------------|
| Bank Charges | 4,534 | 5,544 |
| | 4,534 | 5,544 |

2.21 ADMINISTRATIVE & OTHER EXPENDITURE

| | | |
|--|------------------|------------------|
| Printing & Stationery | 263,420 | 148,248 |
| Advertisement | 255,526 | 193,180 |
| Postage & Telegram | 218,667 | 41,213 |
| Sundry Balance w/off | 8 | 315 |
| Repairs & Maintenance | 24,235 | 59,096 |
| Office Maintenance Exp. | 45,290 | 30,387 |
| Software Expenses | - | 56,516 |
| Travelling & Conveyance | 143,176 | 135,899 |
| Payment to Auditors | | |
| -Statutory Audit Fee | 19,000 | 18,500 |
| -Tax Audit Fee | 7,500 | 7,500 |
| Professional Charges | 3,155,470 | 3,358,333 |
| Rent Exp | 120,000 | 120,000 |
| Telephone & Internet Expenses | 37,625 | 42,253 |
| AGM Expenses | 209,708 | 191,520 |
| Vehicle Running & Maintenance Expenses | 28,000 | 38,399 |
| STT Charges | 148,855 | 139,298 |
| Other Expenses | 305,023 | 223,653 |
| | 4,981,503 | 4,804,310 |

2.22 RELATED PARTY DISCLOSURE

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

(A) List of Related Parties

(i) Wholly Owned Subsidiary:

Nil

(ii) Fellow Subsidiary:

Nil

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

Nil

(iv) Individual having significant influence or control

Mr Rakesh K Jain

(v) Relatives of individual having significant influence or control

Ms. Aridhi Jain

(vi) Key Management Personnel:

Mr. Gauri Shanker Pandey

Mr. Avinash Chandra

CA. Bhawna Grover

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

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

(B) Details of transactions relating to persons referred in item A above

(Amount in Rs.)

| Nature of transactions | Relatives of individual having significant influence or control | Key Managerial Personnel | Transaction with the companies/ enterprises have significant influence or control | Total A+B+C |
|---|---|--------------------------|---|-------------|
| | (A) | (B) | (C) | |
| 1. Rent Received | | | | |
| - Current Year | 318,000 | - | - | 318,000 |
| - (Previous Year) | (318,000) | - | - | (318,000) |
| 2. Remuneration paid to key managerial personnel | | | | |
| - Current Year | - | 1,418,142 | - | 1,418,142 |
| - (Previous Year) | - | (304,524) | - | (304,524) |
| 3. Rent paid | | | | |
| - Current Year | - | - | 120,000 | 120,000 |
| - (Previous Year) | - | - | (120,000) | (120,000) |
| 4. Brokerage paid | | | | |
| - Current Year | - | - | 223,155 | 223,155 |
| - (Previous Year) | - | - | (231,377) | (231,377) |
| 5. Interest Income on cash margin | | | | |
| - Current Year | - | - | 169,007 | 169,007 |
| - (Previous Year) | - | - | (484,521) | (484,521) |
| 6. Professional Charges | | | | |
| - Current Year | - | - | - | - |
| - (Previous Year) | - | - | (75,000) | (75,000) |
| TOTAL | | | | |
| - Current Year | 318,000 | 1,418,142 | 512,162 | 2,248,304 |
| - (Previous Year) | (318,000) | (304,524) | (910,898) | (1,533,422) |
| Closing Balance as on 31.03.2014 | | | | |
| Amount Payable | - | 115,985 | - | 115,985 |
| Closing Balance as on 31.03.2013 | | | | |
| Amount Payable | - | 66,411 | - | 66,411 |

During the year, Hope Consultants Limited & Frontline Capital Services Limited has participated in the share buy-back programme conducted by Frontline Securities Limited in which Hope Consultants Limited surrendered 6 lac shares & received proceeds of Rs. 1.95 Crore (Rupees One Crore Ninety Five Lacs) & Frontline Capital Services Limited surrendered 7.25 lac shares & received proceeds of Rs. 2.36 Crore (Rupees Two Crore Thirty Six Lacs) from Frontline Securities Limited.

2.23 QUANTITATIVE DETAILS

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

2.24 DUES TO MICRO SMALL AND MEDIUM ENTERPRISES

The company has no dues to micro and small enterprises during the year ended 31 March, 2014 and March 31, 2013.

2.25 RETIREMENT BENEFITS

A) GRATUITY

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

| Particulars | Percentage | Current Year Amount | Percentage | Previous Year Amount |
|--|------------|------------------------|------------|-------------------------|
| Actuarial assumptions | | | | |
| Discount Rate Per Annum | 8% | | 8% | |
| Salary Escalation | 6% | | 6% | |
| Reconciliation of opening and closing balances of obligation | | | | |
| Obligation at beginning of the year | | 488,870 | | 332,045 |
| Current Service Cost | | 36,583 | | 363,916 |
| Interest Cost | | 39,110 | | 26,564 |
| Actuarial (gain) /loss | | 14,831 | | (225,001) |
| Less: Benefits paid | | (50,192) | | (8,654) |
| Obligation at the end of the year | | 529,202 | | 488,870 |
| Reconciliation of opening and closing balances of fair value assets | | | | |
| Fair value of plan assets at beginning of the year | | 389,674 | | 330,075 |
| Employer contribution | | 135,779 | | 35,886 |
| Less: Benefits Paid | | (50,192) | | (8,654) |
| Add: Expected return on plan assets | | 41,534 | | 32,367 |
| Fair value of plan assets at the end of the year | | 516,795 | | 389,674 |

Amount Recognized in Balance Sheet

| | | |
|--|---------------|---------------|
| Present value of obligation | 529,202 | 488,870 |
| Fair value of plan assets | 516,795 | 389,674 |
| Amount recognized in Balance Sheet (Unfunded) | 12,407 | 99,196 |

Gratuity cost for the period

| | | |
|--------------------------------|---------------|----------------|
| Current Service Cost | 36,583 | 363,916 |
| Interest Cost | 39,110 | 26,564 |
| Expected return on plan assets | (41,534) | (32,367) |
| Actuarial (gain) /loss | 14,831 | (225,001) |
| Net Gratuity cost | 48,990 | 133,112 |

- B) Leave accumulated during the year lapse on the balance sheet date and thus no provision for leave encashment is made.
- C) Contribution to provident fund is made monthly at predetermined rates to the appropriate authorities.

2.26 DEFERRED TAX BALANCES

(Amount in Rs.)

| Particulars | For the Year ended 31.03.2014 | For the Year ended 31.03.2013 |
|-----------------------------------|----------------------------------|----------------------------------|
| a. Deferred Tax Liabilities (Net) | | |
| (i) Depreciation | - | - |
| (ii) Others | - | - |
| | - | - |
| b. Deferred Tax Assets (Net) | | |
| (i) Depreciation | 2,175,099 | 2,036,914 |
| (ii) Others | (1,125,189) | (1,194,960) |
| | 1,049,910 | 841,954 |

2.27 SEGMENT REPORTING

(Amount in Rs.)

| Particulars | “Service, Commission & Brokerage” | “ Investment in Bonds/ FDR/Loans & Advances “ | Unallocated | Total |
|---------------------------------|---|--|--------------------|--------------------|
| Segment Revenue (A) | | | | |
| - Current Year | 35,280,114 | 13,900,984 | 6,183,850 | 55,364,948 |
| - Previous Year | 28,491,113 | 22,532,571 | 10,218,600 | 61,242,284 |
| Segment expense (B) | | | | |
| - Current Year | 4,571,378 | 3,290,326 | 148,855 | 8,010,560 |
| - Previous Year | 5,466,649 | 2,226,892 | - | 7,693,542 |
| Depreciation | | | | |
| - Current Year | 195,639 | 195,639 | 0 | 391,277 |
| - Previous Year | 195,249 | 195,249 | 0 | 390,498 |
| Segment Result (A) - (B) | | | | |
| - Current Year | 30,513,097 | 10,415,019 | 6,034,996 | 46,963,112 |
| - Previous Year | 22,829,214 | 20,110,430 | 10,218,600 | 53,158,244 |
| Segment Assets (A) | | | | |
| - Current Year | 3,072,584 | 75,138,342 | 280,821,065 | 359,031,991 |
| - Previous Year | 4,134,248 | 165,173,963 | 246,219,427 | 415,527,638 |
| Segment Liabilities (B) | | | | |
| - Current Year | 1,015,504 | 258,416 | 31,664,719 | 32,938,638 |
| - Previous Year | 6,491,290 | 877,576 | 31,741,774 | 39,110,639 |
| Total (A) - (B) | | | | |
| - Current Year | 2,057,079 | 74,879,927 | 249,156,346 | 326,093,352 |
| - Previous Year | (2,357,042) | 164,296,387 | 214,477,654 | 376,416,998 |
| Capital Expenditure | | | | |
| - Current Year | 5,100 | 5,100 | 4,245,335 | 4,255,535 |
| - Previous Year | - | - | 3,042,000 | 3,042,000 |

2.28 EARNING PER SHARE

2.28.1 The Earning Per Share (EPS) is calculated as follows:

| Particulars | For the Year ended 31.03.2014 | For the Year ended 31.03.2013 |
|---|----------------------------------|----------------------------------|
| (i) Profit attributable to Equity Share Holders | 33,374,972 | 37,889,520 |
| (ii) Weighted average number of equity shares for computations of Basic and Diluted Earning per share | 9,276,989 | 9,504,950 |
| (iii) Nominal Value of Equity Share | 10 | 10 |
| (iv) EPS- Basic and Diluted | 3.60 | 3.99 |

2.28.2 The Basic and Diluted Earning Per Share have been computed by dividing the Profit After Tax by the weighted average number of equity share for respective periods as specified by AS-20 issued by Institute of Chartered Accountant of India (ICAI).

2.29 Payment to auditor

| Particulars | For the Year ended 31.03.2014 | For the Year ended 31.03.2013 |
|----------------------|----------------------------------|----------------------------------|
| A) Auditor | | |
| Statutory audit fees | 19,000 | 18,500.00 |
| Tax audit fees | 7,500 | 7,500.00 |
| Total | 26,500 | 26,000 |

FOR AND ON BEHALF OF THE BOARD

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

(RAKESH K. JAIN)
Director
DIN : 00050524

(GAURI SHANKER PANDEY)
Whole Time Director
DIN : 00050614

(JAYANTI JAIN)
Partner
M.No. 83450

(AVINASH CHANDRA)
Company Secretary

(CA. Bhawna Grover)
Chief Financial Officer

Place : Noida
Dated : 30.05.2014

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

| LIABILITIES SIDE | | | |
|-------------------------|---|---------------------------|-----------------------|
| 1 | Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid: | Amount Outstanding | Amount Overdue |
| | a. Debentures (other than falling within the meeting of public deposits) | | |
| | - Secured | - | - |
| | - Unsecured | - | - |
| | b. Deferred Credits | 21,450,845 | - |
| | c. Term Loans | - | - |
| | d. Inter-corporate loans and borrowings | - | - |
| | e. Commercial Paper | - | - |
| | f. Public Deposits (Refer note 1 below) | - | - |
| | g. Other Loans – Cash credit | - | - |
| 2 | Break up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid); | Amount Outstanding | Amount Overdue |
| | a. In the form of unsecured debentures | - | - |
| | b. In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security | - | - |
| | c. Other public deposits | - | - |
| ASSET SIDE | | | |
| 3 | Break up of Loans and Advances including bills receivables [other than those included in (4) below]: | Amount Outstanding | |
| | a. Secured | - | |
| | b. Unsecured | 37,892,449 | |
| 4 | Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities | Amount Outstanding | |
| | i. Lease Assets including lease rental under sundry debtors: | | |
| | a. Finance Lease | - | |
| | b. Operating Lease | - | |
| | ii. Stocks on hire including hire charges under sundry debtors: | | |
| | a. Assets on hire | - | |
| | b. Repossessed Assets | - | |
| | iii. Other Loans counting towards AFC activities: | | |
| | a. Loans where assets have been repossessed | - | |
| | b. Loans other than (a) above | - | |
| 5 | Break up of Investments: | Amounts | |
| | Current Investments | | |
| | 1 Quoted | | |
| | i. Shares - Equity | - | |
| | - Preference | - | |
| | ii. Debentures and Bonds | - | |
| | iii. Units of mutual funds | 56,850,000 | |
| | iv. Government Securities | - | |
| | v. Others | - | |

| | | | | |
|---|---|--|------------|--------------------------------|
| 2 | Unquoted | | | |
| i. | Shares - Equity | - | | |
| | - Preference | - | | |
| ii. | Debentures and Bonds | - | | |
| iii. | Units of mutual funds | - | | |
| iv. | Government Securities | - | | |
| v. | Others | - | | |
| Long Term Investments | | | | |
| 1 | Quoted | | | |
| i. | Shares - Equity | 51,763,967 | | |
| | - Preference | - | | |
| ii. | Debentures and Bonds | 12,654,050 | | |
| iii. | Units of mutual funds | 119,919,320 | | |
| iv. | Government Securities | 1,249,553 | | |
| v. | Others | - | | |
| 2 | Unquoted | | | |
| i. | Shares - Equity | 1,228,310 | | |
| | - Preference | - | | |
| ii. | Debentures and Bonds | - | | |
| iii. | Units of mutual funds | - | | |
| iv. | Government Securities | - | | |
| v. | Others | - | | |
| | | | | |
| 6 | Borrower group wise classification of all leased assets, stock on hire and loans and advances (Refer note 2 below); | | | |
| | Category | Amount net of provision | | |
| | | Secured | Unsecured | Total |
| 1 | Related Parties** | - | - | - |
| a. | Subsidiaries | - | - | - |
| b. | Companies in the same group | - | - | - |
| c. | Other than related parties | - | 37,892,449 | 37,892,449 |
| | Total | - | 37,892,449 | 37,892,449 |
| 7 | Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (Refer note 3 below) | | | |
| | Category | Market Value / Break up of fair value or NAV | | Book Value (Net of Provisions) |
| 1 | Related Parties** | - | | - |
| a. | Subsidiaries | - | | - |
| b. | Companies in the same group | - | | - |
| c. | Other related parties | - | | - |
| 2 | Other than related parties | 326,828,489 | | 242,415,647 |
| | Total | 326,828,489 | | 242,415,647 |
| ** As per Accounting Standard issued by the Institute of Chartered Accountants of India ('ICAI'). | | | | |
| 8 | Other Information | | | Amount |
| i. | Gross Non-Performing Assets | | | |
| a. | Related Parties | | | - |
| b. | Other than related parties | | | - |
| ii. | Net Non-Performing Assets | | | |
| a. | Related Parties | | | - |
| b. | Other than related parties | | | - |
| iii. | Assets acquired in satisfaction of debt | | | - |

| Notes: | |
|---------------|--|
| 1 | As defined in paragraph 2(1)(xii) of the Non- Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 |
| 2 | Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 |
| 3 | All Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India ('ICAI') are applicable including for calculation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term of current in category 5 above. |

FOR AND ON BEHALF OF THE BOARD
"AS PER OUR REPORT ATTACHED OF EVEN DATE"
For J. JAIN & COMPANY
Chartered Accountants
Firm's Registration Number : 004208N

(RAKESH K. JAIN)
 Director
 DIN : 00050524

(GAURI SHANKER PANDEY)
 Whole Time Director
 DIN : 00050614

(JAYANTI JAIN)
 Partner
 M.No. 83450

(AVINASH CHANDRA)
 Company Secretary

(CA. Bhawna Grover)
 Chief Financial Officer

Place : Noida
Dated : 30.05.2014

SHAREHOLDER INFORMATION FORM

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

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

Place :

Date :

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

Members are requested to provide the below mentioned information :

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

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

Signature of the First Named / Sole Member

NOTE :

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

3rd Fold

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

2nd Fold

1st Fold

Sender's Name and Address

| |
|--|
| |
| |
| |
| |

ECS MANDATE FORM

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

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

Place :

Date :

Dear Sirs,

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

1. Folio No.:
{Folio No. given in equity share certificate (s)}
2. Member's Name : Shri/Smt./Kum. :
3. Member's Address :
.....
4. Particulars of the Bank Account :
 - ☞ Bank Name :
 - ☞ Branch Name :
 - ☞ Mention the 9-digit code number of the bank and branch appearing on the MICR Cheque issued by the bank:.....

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

☞ Account type (Please✓) Saving ☐ Current ☐ Cash Credit ☐

☞ Account number (as appearing on the Cheque book :

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

Signature of the First Named /Sole Member

- Note : 1. Please complete the form and send it to Register & Share Transfer Agent at the above address if you are holding share certificate(s) in physical form, latest by Wednesday, September 10, 2014.
2. In case your shares are in Dematerialized form, inform/update your informations directly with the Depository Participant (DP) with whom you are maintaining Demat Account and not to the Company or its Registrar.
 3. In case of more than one folio, please complete the details on separate sheets.
 4. Subject to the rules and regulations of the Scheme of ECS of the Reserve Bank of India from time to time.

3rd Fold

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

2nd Fold

1st Fold

Sender's Name and Address

| |
|--|
| |
| |
| |
| |

NO GIFTS WILL BE DISTRIBUTED AT THE AGM

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

CIN: L74899DL1994PLC058837

Name of the Company : Frontline Securities Limited

Registered Office : M-6, IInd Floor M-Block Market, Greater Kailash-II, New Delhi- 110048

| | |
|-------------------------|---------------------|
| Name of the member(s) : | |
| Registered address : | |
| E-mail Id : | |
| Folio No/ Client Id : | DP ID : |

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :
Address :
E-mail Id :
Signature :, or failing him / he
2. Name :
Address :
E-mail Id :
Signature :, or failing him / her
3. Name :
Address :
E-mail Id :
Signature :, or failing him / her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the company, to be held on the 17th day of September, 2014 at 9:45 a.m. at Air Force Auditorium, Subroto Park, New Delhi and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | |
|----------------|--|
| 1 | Adoption of Audited Financial Statements for the financial year ended March 31, 2014 |
| 2 | Declaration of dividend on the equity shares for the financial year ended March 31, 2014 |
| 3 | Re-appointment of Mrs. Sarabjeet Kaur, Director, who retires by rotation |
| 4 | Appointment of M/s J. Jain & Company as Statutory Auditors |
| 5 | Appointment of Mr. Arun K. Jain as Independent Director of the Company |
| 6 | Appointment of Mr. Atul K. Jain as Independent Director of the Company |
| 7 | Appointment of Dr. Charanjeet Singh Bedi as Independent Director of the Company |
| 8 | Appointment of Mr. Baljit Singh Bedi as Independent Director of the Company |

Signed this.....day of.....2014

₹ 1
Revenue
Stamp

Signature of shareholder..... Signature of Proxy holder(s).....

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

NO GIFTS WILL BE DISTRIBUTED AT THE AGM

FRONTLINE SECURITIES LIMITED

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

ATTENDANCE SLIP

I hereby record my presence at the 20th Annual General Meeting held at Air Force Auditorium, Subroto Park, New Delhi on Wednesday, the 17th September, 2014 at 9.45 a.m.

Name of the Shareholder(s)
(in Block Letter)

Father's / Husband's Name

Name of the Proxy or Company Representative
(in Block Letters)

*DP ID..... *Client Id.....

Regd. Folio No..... No. of Shares held.....

Signature of the Shareholder(s) or

Proxy of Company Representative

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

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



If undelivered please return to :

F R O N T L I N E
SECURITIES LIMITED

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