

25th  
**ANNUAL  
REPORT  
2018-2019**



**FRONTLINE**  
**SECURITIES LIMITED**

## CORPORATE INFORMATION

### **BOARD OF DIRECTORS:**

• Mr. Rakesh K. Jain	Non – Executive and Promoter Director
• Mr. Gauri Shanker Pandey	Whole Time Director
• Mr. Arun K. Jain	Independent Director
• Mr. Atul K. Jain	Independent Director
• Dr. Charanjeet Singh Bedi	Independent Director
• Mr. Baljit Singh Bedi	Independent Director
• Mrs. Sarabjeet Kaur	Non-Executive Director

### **KEY MANAGERIAL PERSONNEL:**

• Mr. Gauri Shanker Pandey	Whole Time Director
• Ms. Pooja Gupta	Company Secretary & Compliance officer

**CIN:** L65100DL1994PLC058837

**REGISTERED OFFICE:** M-6, IInd Floor, M Block Market, Greater Kailash-II, New Delhi- 110048

**BRANCH OFFICE:** B-22, Sector-4, Noida-201 301  
Tel: +91-120-2534067, 68

**WEBSITE:** [www.fslindia.com](http://www.fslindia.com)

**AUDITORS:** Walecha Inder & Associates  
Chartered Accountants  
6 - 8, Sanjay Market, R - Block  
Greater Kailash-I,  
New Delhi – 110048

**BANKERS:** HDFC Bank, New Delhi

**REGISTRAR & SHARE  
TRANSFER AGENTS:** Link Intime India Private Limited  
Noble Heights, 1st Floor, Plot NH 2, C-1 Block  
LSC, Near Savitri Market, Janakpuri,  
New Delhi-110058

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25<sup>th</sup> Annual General Meeting  
09:45 A.M., Thursday, September 12<sup>th</sup>, 2019  
PHD House-Lakshmipat Singhania Auditorium,  
4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016

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**NOTICE OF AGM**

Notice is hereby given that 25th (Twenty Fifth) Annual General Meeting of **Frontline Securities Limited** for the Financial Year 2018-19 will be held on Thursday, the 12<sup>th</sup> day of September, 2019 at 09:45 A.M. at PHD House-Lakshmipat Singhania Auditorium, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 to transact the following businesses:

**ORDINARY BUSINESS:****Item No 1: Adoption of Financial Statements**

To receive, consider and adopt the Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2019 along with Director's Report and Auditor's Report thereon.

**Item No 2: Declaration of Dividend**

To declare dividend @ 5% (Rs. 0.25) on the Equity Shares of the Company for the financial year ended 31<sup>st</sup> March, 2019.

**Item No 3: Appointment of Mr. Rakesh K. Jain as a Director, liable to retire by rotation.**

To appoint a Director in place of Mr. Rakesh K. Jain (holding DIN: 00050524), who retires by rotation, and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:****Item No. 4: Change in terms of Appointment and increase in remuneration payable to Ms. Richa Arora, Whole Time Director and Company Secretary 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 the Section 196 read with Schedule V and other applicable provisions of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the approval of the Members of the Company be and is hereby accorded to increase the remuneration payable to Ms. Richa Arora, Whole Time Director and Company Secretary w.e.f April 1<sup>st</sup>, 2019 on the terms and conditions as set out in the explanatory statement attached to the Notice of this Annual General Meeting.

**RESOLVED FURTHER THAT** the term of office of Ms. Richa Arora shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors be and are hereby severally and/or jointly authorized to do all such acts, deeds, matters and things as may be necessary, proper or desirable to give effect to the resolution."

**Item No. 5: Re-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 a **Special 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 Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, Mr. Arun K. Jain (DIN: 00050925), a Non-Executive Independent 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 Regulation 16 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from September 12, 2019 or till such earlier date to conform with the policy on



retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.

**RESOLVED FURTHER THAT** any Director and/ or the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto."

**Item No. 6: Re-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 a **Special 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 Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, Mr. Atul K. Jain (DIN: 00133750), a Non-Executive Independent 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 Regulation 16 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from September 12, 2019 or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.

**RESOLVED FURTHER THAT** any Director and/ or the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto."

**Item No. 7: Re-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 a **Special 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 Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, Dr. Charanjeet Singh Bedi (DIN: 00095912), a Non-Executive Independent 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 Regulation 16 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from September 12, 2019 or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.

**RESOLVED FURTHER THAT** any Director and/ or the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto."

**Item No. 8: Re-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 a **Special 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 Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, Mr. Baljit Singh Bedi (DIN: 00112425), a Non-Executive Independent

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 Regulation 16 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from September 12, 2019 or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes , rules , regulations or guidelines.

**RESOLVED FURTHER THAT** any Director and/ or the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

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

**Date: 05.08.2019  
Place: Noida**

**Pooja Gupta  
Company Secretary  
Membership No. : A42583**

## NOTES:

1. The Explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of item no. 4,5,6,7 and 8 is annexed hereto and forms the part of the Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING 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 commencement of 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.

A proxy Form is annexed hereto.

3. Corporate members intending to send their authorized 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. Members/ Proxies should bring the attendance slips duly filled in and signed for attending the meeting.
5. At the ensuing Annual General Meeting, **Mr. Rakesh K. Jain (holding DIN-00050524)** retires by rotation and being eligible offers himself for reappointment. The information or details to be provided in terms of Regulation 34(3) & Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 is provided in the explanatory statement annexed herewith. The Board of Directors of the Company recommends the said re-appointment.

Further, at the Meeting held on 24th May, 2019 the Board has recommended the re-appointment of Mr. Arun K. Jain (DIN: 00050925), Mr. Atul K. Jain (DIN: 00133750), Mr. Baljit Singh Bedi (DIN: 00112425) and Dr. Charanjeet Singh Bedi (DIN: 00095912) as Independent Directors of the Company, subject to approval of Shareholders in the ensuing Annual General Meeting.

6. Ms. Richa Arora, Company Secretary and Whole Time Director of the company has resigned from the office w.e.f. July 17, 2019 and Ms Pooja Gupta has joined as Company Secretary and compliance officer w.e.f. August, 05, 2019.
7. M/s Link Intime India Private Limited, Noble Heights, 1st Floor, Plot NH 2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi-110058 is the Registrar and Share Transfer Agent for physical shares of the Company. Link Intime is also the depository interface of the Company with both NSDL and CDSL.
8. 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).
9. For effective communication, shareholders are requested to update their details related to their 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).
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. to 1 p.m. on all working days at the registered office of the Company.
11. Every Member entitled to vote at the meeting, shall be entitled during the period beginning twenty four

hours before the time fixed for commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged at any time during the business hours of the company, provided not less than three days' Notice in writing of such intention is given to the company.

12. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 6<sup>th</sup>, 2019 to Thursday, September 12, 2019 (both days inclusive).
13. Final Dividend on equity shares @ 5% on the paid-up equity share capital i.e. Rs 0.25 per equity share as recommended by the Board of Directors, if declared by the shareholders at the 25th Annual General Meeting, will be paid to those shareholders whose names appear on the Register of Members of the Company as on Thursday September 5, 2019 after giving effect to all valid transfers in Physical Form lodged with the Company and RTA on or before Thursday 5<sup>th</sup> September, 2019 and in respect of members whose shares are held in electronic form, to those Beneficial Owners as per the details furnished by the Depositories for this purpose at the close of business hours on Thursday, September 5<sup>th</sup>, 2019.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, accordingly, requested to submit their PAN to the Depository Participant with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
15. Pursuant to Section 123 and 124 of Companies Act, 2013, the Company has transferred on due dates, the unclaimed Final Dividend for the financial year ended on 31<sup>st</sup> March, 2011 to the Investor Education Protection Fund established by the Central Government. Further shortly the company will initiate the process of transfer of unclaimed dividend pertaining to the financial year 2011-12 to the Investor Education Protection Fund in September, 2019

Further, Pursuant to the Section 124 of the Companies Act, 2013, the Company is required to transfer the shares in respect of which no dividend has been claimed for seven or more consecutive years to the Investor Education Protection Fund established by the Central Government. It may be also noted all the corporate benefits accruing on these shares like bonus, dividends, spilt etc if any shall be credited to the said fund. The Company will transfer said shares in the month of September, 2019.

#### **16. Payment of Dividend through ECS:**

- a) 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,
  - 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 Thursday, September 5<sup>th</sup>, 2019, to the Company Secretary at B-22, Sector-4, Noida, Uttar Pradesh-201301 or M/s Link Intime India Private Limited at Noble Heights, 1st Floor Plot NH 2, C-1 Block LSC, Near Savitri Market, Janakpuri, Delhi-110058.
  - Shareholders holding shares in demat form are advised to inform the particulars of their bank account to their respective depository participants.
17. To provide speedy redressal of investor grievances, the Company has designated an E-mail ID viz. [investor@fsltechnologies.com](mailto:investor@fsltechnologies.com) or [secretarial@fsltechnologies.com](mailto:secretarial@fsltechnologies.com) exclusively for registering complaints/grievances by investors.
18. Any queries relating to Accounts must be sent to the company at least 10 days before the date of the Annual General Meeting.
19. For the Convenience of the Members, Route Map to the Venue of the AGM forms part of the Annual Report.
- 20. Request to Shareholders:**
  - a) To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with Link Intime India Private Limited (RTA)/ Depositories / Company.



- b) Shareholders are requested to note that copies of the Annual Report will not be distributed at the venue of the meeting. Shareholders/ Proxy holders/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](http://www.fslindia.com).
- c) Electronic copy of the Annual Report of the 25<sup>th</sup> Annual General Meeting of the Company inter-alia indicating the process and manner of electronic voting (e- voting) along with the Attendance slip and route map is being sent to all members whose e-mail ids are registered with Company/DP/RTA for the communication purpose, unless any member has requested for a hard copy of the same. For members who have not registered their email address. Physical copy of the Annual Report along with Notice, Attendance slip, Proxy form and Route map being send in permitted mode.
- d) Shareholders may also note that the Notice of the 25<sup>th</sup> AGM and the Annual Report for Financial Year 2018-19 will also be available on the Company's website [www.fslindia.com](http://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, II<sup>nd</sup> Floor, M- Block Market, Greater Kailash- II, New Delhi-110048 and also at the corporate office of the Company at B-22, Sector-4, Noida 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, free of cost, upon making a specific request by post. The shareholders may also send their requests to the Company's email-id: [investor@fsltechnologies.com](mailto:investor@fsltechnologies.com) or [secretarial@fsltechnologies.com](mailto:secretarial@fsltechnologies.com).
- e) Shareholders may kindly note that no gift/gift coupon will be distributed at the meeting.

#### **21. Voting for transaction of Business through Electronic Means:**

- In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standard on General Meeting (SS-2) issued by ICSI, the Company is providing the facility to Shareholder to cast their vote electronically, through the e- voting services provided by Link Intime India Private Limited, on all the resolutions set forth in this notice.
- Members who have cast their vote by remote e-voting shall not be entitled to cast their vote again at the Annual General Meeting.
- The voting period begins at 9:00 a.m. on Monday, 9<sup>th</sup> September, 2019 and ends at 5:00 p.m. on Wednesday, 11<sup>th</sup> September, 2019. During these period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 5<sup>th</sup>, 2019, may cast their votes electronically. The e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

#### **The procedure and Instructions for shareholders to vote electronically**

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

**Note : Kindly use 190163 as Event No. for the aforesaid purpose.**

5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

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

<b>For Shareholders holding shares in Demat Form or Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> <li>Members who have not updated/Registered their PAN with the Company/ Depository Participant are requested to use the sequences number mentioned on the cover page of the Annual report.</li> </ul>
DOB/ DOI	<p>Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.</p>
Bank Account Number	<p>Enter the Bank Account number (Last Four Digits) as recorded in your demat account or in the company records for the said demat account or folio number.</p> <ul style="list-style-type: none"> <li>Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).</li> </ul>

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

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

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

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

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

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

**Cast your vote electronically**

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.

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

**General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.  
They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.
  - During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
  - Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
  - In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call us :- Tel : 022 - 49186000.
22. The Scrutinizer shall immediately after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the company and shall make , not later than 2 days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or person authorized by the Board who shall countersign the same.

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

**Date: 05.08.2019  
Place: Noida**

**Pooja Gupta  
Company Secretary  
Membership No.: A42583**

## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item no. 4:

On the recommendation of Nomination and Remuneration Committee, In the view of the enhanced responsibility given, the Board proposed to increase the salary payable to Ms. Richa Arora, Whole Time Director and Company Secretary of the Company w.e.f April 1<sup>st</sup>, 2019 as per the revised salary structure given below. The remuneration is subject to the approval of the Members of the Company in the ensuing Annual General Meeting

The details of revised remuneration are:

Components	Amount Per Month (in Rs.)
Basic	16,000
HRA	20,000
Transport Allowance	2,600
Medical Allowance	2,600
Entertainment Allowance	4,000
Book Periodicals	4,000
City Compensatory Allowance	4,180
<b>Gross Salary</b>	<b>53,380</b>
PF ( Employee Contribution)	1,920
Bonus (Quarterly Payable)	1,400
Gratuity	800
Other Deductions	2,720
<b>CTC ( Cost to Company)</b>	<b>57,500</b>
<b>All other benefit and entitlement, if any as per the policy of the Company.</b>	

The terms of remuneration, as stated above may be treated as an abstract of terms of remuneration under section 190 of the Companies Act, 2013.

As per Section 152 of Companies Act, 2013, henceforth the terms of office of Ms. Richa Arora shall be retire by rotation

None of the Directors, Key Managerial Person of the Company or their relatives except Ms. Richa Arora, is deemed to be concerned or interested in the Resolution mentioned at Item No 4 of the Notice except to the extent of shares held by them, if any, in the company.

The Board of Director recommends the Ordinary Resolution set forth in item No. 4 of the accompanying notice for the approval of the Members

### Item No. 5 to 8

Pursuant to the provisions of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, every Listed 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.

Mr. Arun K. Jain, Mr. Atul K. Jain, Mr. Baljit Singh Bedi and Dr. Charanjit Singh Bedi were appointed as an Independent Non-Executive Directors of the Company by the members at the 20th Annual General Meeting of the Company held on 17<sup>th</sup> September, 2014 for a period of five consecutive years commencing from September 17, 2014 to September 16, 2019.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of up to five consecutive years on the Board of a company, but shall be eligible for re-appointment on passing a special resolution by the company for another term of up to five consecutive years on the Board of the company.

Based on the recommendation of Nomination and Remuneration Committee and in terms of the provisions of Section 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the aforesaid Directors, being eligible for re-appointment as an Independent Directors and offering themselves for re-appointment, are proposed to be re-appointed as the Independent Directors for the second term of five consecutive years from September 12, 2019 or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.

The Company has received declaration from the directors stating that they meet the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013, and Regulation 16(1)(b) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. They have also given their consent to continue to act as Independent Director of the company, if so appointed by the members.

In the opinion of the Board, they fulfill the conditions specified in under Section 149(6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for their re-appointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of draft letter for appointment of Mr. Arun K. Jain, Mr. Atul K. Jain, Mr. Baljit Singh Bedi and Dr. Charanjit Singh Bedi as an Independent Non- Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office and corporate office of the Company during normal business hours (9:00 AM to 5:00 PM) on any working day, except Saturday, upto the date of Annual General Meeting of the Company.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services rendered by them as an Independent Director.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Arun K. Jain, Mr. Atul K. Jain, Mr. Baljit Singh Bedi and Dr. Charanjeet Singh Bedi as an Independent Directors for another term of five consecutive years with effect from September 12th, 2019 or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.

Mr. Arun K. Jain, Mr. Atul K. Jain, Dr. Charanjeet Singh Bedi and Mr. Baljit Singh Bedi and their relatives, are interested in the Resolutions relating to their respective re-appointment. None of the other Directors and key Managerial personnel of the Company, or their relatives are interested in these Resolutions.

**DETAILS OF DIRECTOR SEEKING APPOINTMENT/REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING**

**[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

Name of the Director	Mr. Rakesh K. Jain	Mr. Arun K. Jain	Mr. Atul K. Jain	Mr. Baljit Singh Bedi	Dr. Charanjeet Singh Bedi
Date of Appointment	05.05.1994	17.09.2014	17.09.2014	17.09.2014	17.09.2014
Experience in Specific Functional Area	Extensive experience in the field of capital Market , Taxation including international taxation, mergers, acquisitions, software, wealth management etc.	Experience in field of electrical engineering.	He has expertise in Capital Market, Equity Research, Company Law & Finance	He has rich experience in the field of Foreign Exchange Regulations Company Law Matters, Business Advisory Services, Statutory Audits and Internal Audits	With his extensive business contacts and experience he has contributed significantly to the development of the company
Qualification	C.A, M.Com & B.Com	Electronic Engineer	Chartered Accountant	Chartered Accountant	MBBS, M.D
Directorship in other Public Limited Companies/excluding Private Companies	3	-	-	-	-
which are subsidiary of Public Company					
Member/Chairman of Committee of the Board of the Public Limited Companies on which he is Director	-	-	-	-	-

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

**Date: 05.08.2019**

**Place: Noida**

**Pooja Gupta**  
**Company Secretary**  
**Membership No. : A42583**

**DIRECTOR'S REPORT**

Dear Members,

The Directors of your Company take pleasure in presenting this Twenty Fifth(25<sup>th</sup>) Annual Report along with the Audited Financial Statements for the financial year ended March 31st, 2019.

**FINANCIAL RESULTS**

The financial performance of the Company for the year ended March 31st, 2019 is summarized below:

(Rs In Lakhs)

Particulars	2018-19	2017-18
<b>Gross Income</b>	<b>597.24</b>	<b>1296.07</b>
<b>Profit before Depreciation and Amortization</b>	<b>456.46</b>	<b>1194.19</b>
<b>Expenses, Finance Costs and Tax Expenses</b>		
Finance Costs	(13.56)	(11.34)
Depreciation & Amortization expenses	(35.54)	(20.93)
<b>Profit before exceptional and extra-ordinary items</b>	<b>407.36</b>	<b>1161.92</b>
Add: Extra-ordinary Items	198.65	-
<b>Profit before Tax</b>	<b>606.01</b>	<b>1161.92</b>
Current Tax	(178.31)	(231.02)
MAT Credit	-	65.09
Deferred Tax	26.94	0.41
<b>Profit for the year</b>	<b>454.64</b>	<b>996.40</b>
Add: Balance in Profit & Loss Account	2,381.99	2,163.69
<b>Total</b>	<b>2,836.63</b>	<b>3160.09</b>
<b>Less: Appropriation:</b>		
Buy Back of Shares	-	542.94
Transferred to RBI Reserve	90.93	199.28
Proposed Dividend on equity shares	29.64	29.64
Proposed Dividend Tax	6.09	6.09
Contingency Provision against Standard Assets	0.33	0.15
Excess Provision made in the Previous Year	(0.29)	-
<b>Closing Balance</b>	<b>2,710.01</b>	<b>2381.99</b>

**REVIEW OF OPERATIONS**

During the year under review, the capital market has not performed well specifically the Mid Cap and Small Cap stocks. While the Nifty has grown by 13.83% and the Large Cap Stocks pack has done well in general, there has been downfall in the Mid Cap and Small Cap index by 4.39% and 15.85% respectively.

During the year under review, the major investments of the company were in mid-caps and due to their under-performance the company could not get appropriate returns. During the year under review the company has incurred a net Capital Loss of Rs. 12.23 lakhs as against Capital Gains of Rs. 860.65 Lakhs in the last year. However, in comparison to the last year there has been enhancement in the commission and brokerage income in the current year against previous year income. The same has increased from Rs. 309.52 lakhs to Rs. 505.05 lakhs during the year under review.

## **STATE OF COMPANY AFFAIRS**

During the year under review, the Company operated in one geographical segment i.e. India & has identified three business segments i.e. Segment-I which is Consultancy, Commission & Brokerage, Segment-II Investments in Bonds, Fixed deposits & Loan & Advances and Segment-III Renting and co-work

## **FUTURE OUTLOOK**

During the year under review, due to general elections, there has been an environment of political uncertainties and turbulence in the country. However, with a single party getting majority, we hope to see political stability in the country for the next five years. Barring unforeseen circumstances, we expect market to perform better in the coming years.

Our mutual fund advisory business is stable and growing and we expect it to give reasonable growth in the coming years (mutual fund investments are dependent on market conditions and hence, the growth in Mutual Fund brokerage is also linked with the growth of the capital market to a large extent).

Although, there has been global turbulence in terms of trade war between US and China, issues associated with BEXIT we expect market to perform well in coming years and accordingly the company is expecting to do well in times to come. We anticipate that in coming times, these issues will get amicably resolved. Hence, barring unforeseen circumstances, we expect market to perform well and accordingly the Company is expected to do better in its performance in coming years.

## **MATERIAL EVENTS OCCURRING BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT**

The Board of Directors at its Board Meeting held on 26th March, 2019 has recommended the Buyback of 18,90,027 (Eighteen Lakhs Ninety thousand Twenty Seven) Equity Shares having Face Value of Rs. 5/- (Rupees Five) each. The Shareholders of the Company have approved the proposal of Buy Back of equity shares through Postal ballot that concluded on Tuesday, 7th May, 2019.

The Board of Directors at its Board Meeting held on 24th May, 2019 has discussed the intention of resignation of Mr. CA Mayank Agarwal (ICAI Membership No. 544992) from the post of Chief Financial Officer of the Company. The Board deliberated on the matter and decided that he may be relieved from his duties w.e.f 31st May, 2019.

## **RBI GUIDELINES**

The Company has complied with the Regulations of the Reserve Bank of India as on 31st March, 2019, as are applicable to it as a Non-Banking Financial Company.

## **DEPOSITS**

The Company has not accepted any public deposits during the year, within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules 2014 and Section 2 (i) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 1998.

There was no unclaimed deposit or overdue deposit with the Company as on 31.03.2019.

## **CHANGE IN NATURE OF BUSINESS**

There is no change in the nature of business of the Company, except that it has added co-work activities as business during the current year under review.

**RESERVE FUND**

As per section 45IC of RBI Act 1934, the Company has transferred Rs.90.93 Lakhs in RBI reserve fund i.e. aggregating of 20% of its net profit.

**DIVIDEND**

Considering profits during the current year, the Board has recommended a final dividend @5 % i.e. Rs. 0.25 per Equity Share of Rs. 5/- (Rupees Five) each for the financial year ended 31st March, 2019.

**LISTING OF EQUITY SHARES**

The equity shares of the Company are listed on the Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001. The Listing Fees for the financial year under review has been paid by the Company.

**SHARE CAPITAL**

The paid-up equity shares capital outstanding as on 31st March, 2019 was Rs. 5,92,78,460 divided into 1,18,55,692 (One Crore Eighteen Lakhs Fifty Five Thousand Six Hundred Ninety Two) Equity Shares of Rs. 5/- (Five) each.

During the year under review, the Company has neither issued Shares with differential voting rights nor granted stock option and Sweat Equity Shares.

Further also, the Shareholders of the Company have approved the sub-division of each equity share having Face Value of Rs. 10/- each into 2 Equity Shares having Face Value of Rs. 5/- each with effect from 24th October, 2018, which has increased the number of shares.

**BUY BACK OF SHARES**

The Board of Directors at their Meeting held on Tuesday, March 26th, 2019 has recommended the Buy Back of 18,90,027 Equity Shares of Rs. 5/- (Five) each from the eligible shareholders of the company, offer price being Rs. 40/- (Rupees Forty) for an amount not exceeding Rs. 7,56,01,080/-. The Shareholders of the Company has approved the proposal of Buy Back of equity shares through Postal ballot that concluded on Tuesday, 7th May, 2019.

**DIRECTORS**

In accordance of section 152 of companies act, 2013 henceforth the term of office of Ms. Richa Arora shall be retire by rotation.

The Board of the Company is structured in accordance with the requirements of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There is an adequate number of Independent Directors on the Board of the Company.

The Details of Board Composition & its Meetings are given in the Corporate Governance Report.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rakesh K. Jain, Director having DIN: 00050524 of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Further, the Board at its meeting held on May 24th, 2019 has recommended the re-appointment of Mr. Arun K. Jain, Mr. Atul K. Jain, Mr. Baljit Singh Bedi and Dr. Charanjeet Singh Bedi as an Independent Director of the Company for the second term of five years subject to approval of Members in the ensuing Annual General Meeting.

Brief resume and other details of the Directors being re-appointed as required under the Securities Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015 and Secretarial Standard-2 (SS-2) issued by The Institute of Company Secretaries of India (ICSI) are provided in the Explanatory Statement annexed to the Notice.

All the Independent Directors of the Company have given declaration confirming that they meet the criteria of Independence as prescribed both under the Act and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015



None of the Directors are related to each other within the meaning of the term "relative" as per Section 2(77) of the Act.

During the year under review, Nine (9) Meetings of the board were convened and held, details of which are provided in the Report on Corporate Governance.

The Company has also received the Certificate from the Secretarial Auditor of the Company that none of the Director of the Company are disqualified under Section 164(2) of the Act.

#### **KEY MANAGERIAL PERSONNEL**

Mr. Mayank Agarwal, Chartered Accountant was appointed as Chief Financial Officer of the Company on October 20th, 2017. At the Board Meeting held on May 24th, 2019, his resignation was taken on record by the Company.

#### **DECLARATION FROM INDEPENDENT DIRECTORS**

The Company has received declaration from Dr. Charanjeet Singh Bedi, Mr. Baljit Singh Bedi, Mr. Arun K. Jain and Mr. Atul K. Jain, the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board at its meeting held on May 24th, 2019 has recommended the re-appointment of Mr. Arun K. Jain, Mr. Atul K. Jain, Mr. Baljit Singh Bedi and Dr. Charanjeet Singh Bedi as an Independent Director of the Company for the second term of five years subject to approval of Members in the ensuing Annual General Meeting.

#### **POLICY ON APPOINTMENT & REMUNERATION**

In respect of Nomination and Remuneration of Directors, the Company has adopted the following policies:

- a) Policy for selection of Directors and determining Director's independence: and
- b) Remuneration Policy for Directors, Key Managerial Personnel and other employees.

The above mentioned policies of the Company are attached herewith marked as Annexure I and Annexure II.

#### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Company has put in place a familiarization program for the Independent Directors, their roles, rights, responsibilities in the Company and related matters. Quarterly updates on relevant statutory matters are also informed to Directors.

Details of familiarization program are available on the website of the Company at the link <http://fslindia.com/pdf/FAMILIARIZATION+PROGRAMMES.pdf>.

#### **PERFORMANCE EVALUATION**

Pursuant to the provisions of Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out annual performance evaluation of its own performance, its committees and all the Directors individually.

The evaluation of Non - Independent Directors, Chairman and the Board as a whole was done at a separate meeting by the Independent Directors.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

Your Directors makes the following statement in terms of Section 134(3) of Companies Act, 2013:

- a. In the preparation of the annual accounts for the year ended March 31st, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b. 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 as at March 31st, 2019 and of the profit of the Company for the year ended on that date;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and

detecting fraud and other irregularities;

- d. The Directors have prepared the annual accounts on a 'going concern' basis;
- e. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

The Company's Internal Auditor have conducted periodic audit to provide reasonable assurance that the Company's established policies and procedure have been followed. The Audit Committee constituted by the Board reviewed the Internal Controls and financial reporting issues with Internal Auditors and Statutory Auditors.

#### **PARTICULARS OF LOANS GIVEN AND INVESTMENTS MADE**

Being a NBFC (Non-Banking Financial Company), the Company is exempted under Section 186(11) of the Companies Act, 2013.

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

##### **A) Conservation of Energy & Technology Absorption**

Particulars under Companies (Accounts) Rules, 2014 on conservation of energy, Technology absorption are not applicable to your Company. Accordingly no disclosure has been made in this regard.

##### **B) Foreign Exchange Earnings and Outgo**

The company has neither earned nor spent any foreign exchange during the year under review.

#### **RELATED PARTY TRANSACTIONS**

All contracts / arrangements / transactions entered by the Company during the financial year under review with related party(s) were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://fslindia.com/pdf/RPT.pdf>

Particulars of contracts or arrangement with related parties during the year under review are provided in AOC-2 as Annexure III.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Company has a Corporate Social Responsibility (CSR) Committee which comprises total three members of which two Members including Chairman of the Committee are Independent Directors. Details of Committee & its meeting are given in Report on Corporate Governance.

During the year under review, the Company has made a contribution of Rs.13.95 lakhs (2.04% of Average net profits of last 3 financial years) on CSR Activities.

The Annual report on CSR activities is annexed herewith as Annexure IV.

The CSR Policy may be accessed for the Company's website at the link: <http://www.fslindia.com/pdf/csr%201.pdf>

#### **AUDITORS AND AUDITORS' REPORT**

##### **I) Statutory Auditors:**

There is no change in Statutory Auditors as M/s Walecha Inder & Associates, Chartered Accountants (FRN: 014205N) will continue as Statutory Auditor of the Company as appointed for a term of five years in 23rd Annual General Meeting held on August 9th, 2017 till the conclusion of 28th Annual general Meeting to be held for the financial year 2021-22.

The statutory auditor has specifically been asked to submit exception report in terms of para 72 of chapter XI of master direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016.

The Report given by M/s Walecha Inder & Associates on the financial statements of the Company for the year 2018-19 is part of the Annual Report. There is no qualification, reservation or adverse remark or disclaimer in their report

The report of the Statutory Auditor on the financial statements including the relevant notes on the account for the financial year ended 31st March, 2019 are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation and adverse remark.

During the year under Review the Auditor had not reported any matter under Section 143 (12) of the Companies Act, 2013; therefore no detail is required to be disclosed under Section 134 (3) of the Companies Act, 2013.

#### **ii) Secretarial Audit:**

The Board has re-appointed M/s Jain Aarti & Associates, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith marked as Annexure V to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### **iii) Internal Auditor:**

The Board of Directors of your Company has appointed M/s VMG & Company, Chartered Accountants (FRN: 024257N) as Internal Auditor pursuant to Section 138 of the Act for the financial year 2018-19

#### **EXTRACT OF ANNUAL RETURN**

Extract of Annual Return of the Company is annexed herewith in MGT-9 as Annexure VI to this Report. It may also be accessed on the website of the Company at [http://www.fslindia.com/pdf/MGT\\_9%20new-1-5.pdf](http://www.fslindia.com/pdf/MGT_9%20new-1-5.pdf)

#### **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operations were observed.

#### **VIGIL MECHANISM & WHISTLE BLOWER POLICY**

The Company believes in conducting its affairs in fair & transparent manner by adopting highest standards of professionalism, honesty, integrity & ethical behavior. The Company is committed to develop a culture where it is safe for all employees to raise concern about any wrongful conduct. For this the Company has established a Vigil Mechanism for directors and employees to report genuine concerns.

As per the Company's policy, any personnel can approach the Audit Committee. However no such instance has been reported during the year under review.

The Vigil Mechanism Policy may be accessed on the website of the Company at [http://www.fslindia.com/pdf/FSL\\_VIGIL%20MECHANISM%20AND%20whistle-blower-policy.pdf](http://www.fslindia.com/pdf/FSL_VIGIL%20MECHANISM%20AND%20whistle-blower-policy.pdf)

#### **SIGNIFICANT AND MATERIAL ORDERS**

There are no orders passed by the any regulatory authorities or courts or tribunal which would impact the going concern status of the Company and its operation in future.

#### **RISK MANAGEMENT**

The Board of Directors has constituted a Risk Management Committee for

- a. evaluating the various risks impacting the Company; and
- b. overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputation and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The risk management policy of the Company may be accessed on website of the Company under the <http://www.fslindia.com/pdf/RISK%20MNGT.pdf> link.



## AUDIT COMMITTEE

The Audit Committee comprises of four members of which all members including Chairman of the committee are Independent Directors. During the year five meetings were convened and held. Details of the same are provided in Report on Corporate Governance.

## CORPORATE GOVERNANCE

The Company has taken adequate steps to ensure compliances with the provision of corporate governance as prescribed under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

A separate report on Corporate Governance Practices followed by the Company along with Certificate from Company's Auditor & CFO confirming the compliance of Corporate Governance forms an integral part of this Annual Report as Per Regulation 34 & Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company is an equal opportunity employer and consciously strives to build a work culture that promotes dignity of all employees. As required under the provisions of sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed there under, the Company has implemented a policy on prevention, prohibition and redressal of sexual harassment at workplace. All women, permanent, temporary or contractual including those of service provider are covered under this policy.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. On 20th March, 2019, meeting was held to review the complaints received from the employee and it was noted that, No Complaints were received from any employee during the financial year 2018-19 and hence no complaint is outstanding as on 31.03.2019 for redressal.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis comprising an overview of the financial results, operations/performances and future aspects form part of this annual report.

## PARTICULARS OF EMPLOYEE

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Non-Executive Directors	Ratio to median remuneration
No remuneration has been paid to Non-executive directors	
Executive Directors	Ratio to median remuneration
Gauri Shanker Pandey	1.79
Richa Arora	1.42

- b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the Financial Year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Gauri Shanker Pandey (Whole Time Director)	NIL*
Richa Arora ( Company Secretary)	25%
Mayank Agarwal ( Chief Financial Officer)	30%

\*There was no increase in salary. However, re-structure of salary was done.

- c. The percentage increase in the median remuneration of employees in the financial year : 4.28%
- d. The number of permanent employees on the rolls of Company: 11 (as on 31st March, 2019).
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
The percentage increase in the median remuneration of employees in the financial year is 1.61% whereas increase in the managerial remuneration for the year was 4.61%
- f. Top Ten Employees in terms of Remuneration drawn as on 31.03.2019:  
Company's Business Model does not require large no. of people. Total No. of employees as on 31.03.2019 is 11 which includes Senior Level, Middle Level and lower level. Details of all senior level employees drawing salary are given below:

Particulars	Mr. Gauri Shanker Pandey	Mr. Mayank Agarwal	Ms. Richa Arora
Designation	Whole Time Director	Chief Financial Officer	WholeTime Director & Company Secretary
Remuneration Received (Rs. In Lakhs )	7.23	5.62	5.72
Nature of Employment	Permanent	Permanent	Permanent
Qualification	B.com	CA & B.com	CS & B.com (H)
Experience	30 years of Experience in Human Resource and administration	1 year of experience in the Field of Accounts , taxation & Audit.	2 years of Experience in the field of Company law, SEBI Regulation & other corporate law matter.
Date of Commencement of Employment	16.03.2013 (appointed as a Whole Time Director) Associated with the company since beginning	21.10.2017	26.02.2016
Age	61 years	26 years	26 years
Previous Employment & Designation	Dolsun Containers Private Limited , Manager	MJMJ & Associates LLP, Audit Manager	Tiwari & Mishra Chartered Accountant as an Accounts Executive
No. of shares held in the Company	NIL	NIL	NIL

**Note:**

- None of the above mentioned employee is a relative of any director or manger of the Company.
- The above mentioned employees constitute the KMP's of the Company, besides this, the other employees receives nominal salary depending upon their work profile.
- No employee who was employed throughout the Financial Year 18-19 was in receipt of remuneration, which in aggregate was of amount not less than Rupees One Crore and Two lakh.

- h. No employee who was employed for a part of the Financial Year 18-19 was in receipt of remuneration for any part thereof, which in aggregate was of amount not less than Rupees Eighty Lakhs and Fifty Thousand.
- i. No employee who was employed throughout the Financial Year 18-19 or part thereof was in receipt of remuneration which in aggregate or as the case may be, was at a rate which in aggregate was in excess of that drawn by the Whole Time Director(s) and who held by himself or along with his spouse and dependent children, not less than 2 percent of the Equity shares of the Company.
- j. Affirmation that the remuneration is as per the remuneration policy of the Company: the Company hereby affirms that remuneration is paid as per the remuneration policy of the Company.

**ACKNOWLEDGMENT**

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

We also acknowledge the sincere and dedicated efforts put in by the employees of the Company at all levels.

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

Date: 24.05.2019  
Place: Noida

**Gauri Shanker Pandey**  
Whole Time Director  
DIN: 00050614

**Rakesh K. Jain**  
Chairman  
DIN: 00050524

**Policy for Selection of Director and determining Director's Independence****1. Introduction**

- 1.1. Frontline Securities Limited (FSL) believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, FSL ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.
- 1.2. FSL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. FSL aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

**2. Scope and Exclusion:**

- 2.1 This Policy sets out the guiding principles for the "Nomination and Remuneration Committee" for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as Independent Directors of the Company.

**3. Terms and References:**

In this Policy, the following terms shall have the following meanings:

- 3.1 "Director" means a director appointed to the Board of a company.
- 3.2 "Nomination and Remuneration Committee" means the committee constituted by FSL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI ( Listing Obligations and Disclosure Requirements) Regulations, 2015.

**4. Policy:****4.1 Qualifications and criteria**

- 4.1.1 The "Nomination and Remuneration (N&R) Committee", and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's global operations.
- 4.1.2 In evaluating the suitability of individual Board members, the N&R Committee may take into account factors, such as:

- General understanding of the Company's business dynamics, global business and social perspective;
- Educational and professional background standing in the profession;
- Personal and professional ethics, integrity and values/willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

- 4.1.3 The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;

- Shall give his written consent to act as a Director;
- Shall endeavor to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made; Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, SEBI (Listing Obligation and disclosure Requirements) Regulations, 2015 and other relevant laws.

#### **4.2 Criteria of Independence**

- 4.2.1 The Nomination and Remuneraton Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.
- 4.2.2 The criteria of independence shall be as laid down in Companies Act, 2013 and Regulation 16(1) (b) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015

**Remuneration Policy for Directors, Key Managerial Personnel and other employees****1. Introduction**

1. Frontline Securities Limited (FSL) recognizes the importance of aligning the business objectives with specific and measureable individual objectives and targets. The Company has therefore formulated the remuneration policy for its Directors, Key Managerial Personnel and other employees keeping in view the following objectives:

Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.

Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

**2. Scope and Exclusion:**

1. This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

**3. Terms and References:**

In this Policy, the following terms shall have the following meanings:

- 3.1 "Director" means a director appointed to the Board of the Company.

- 3.2 "Key Managerial Personnel" means

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Company Secretary;
- (iii) the Whole-Time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act, 2013

- 3.3 "Nomination and Remuneration Committee" means the committee constituted by FSL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**4. Policy:****4.1 Remuneration to Executive Directors and Key Managerial Personnel**

- 4.1.1 The Board, on the recommendation of the Nomination and Remuneration (N&R) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
- 4.1.2 The Board, on the recommendation of the N&R Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

**4.2 Remuneration to Non-Executive Directors**

- 4.2.1 The Board, on the recommendation of the N&R Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

**4.3 Remuneration to other employees**

- 4.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

**Annexure-III****Form No. AOC-2**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis:  
Frontline Securities Limited (FSL) has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2018-19.
2. Details of material contracts or arrangement or transactions at arm's length basis
  - (a) Name(s) of the related party and nature of relationship:
    - I. Hope Consultants Limited, common Directors
    - II. Frontline Capital Services Limited, common Director
    - III. FSL Software Technologies Limited, common Director
  - (b) Nature of contracts/arrangements/transactions:
    - I. Rent Agreement, and
    - II. Share Broking and Depository Services: respectively
    - III. Rent Agreement
  - (c) Duration of the contracts/ arrangements/transactions
    - I. Contract dated April 01, 2013 as renewed on April 04, 2016 which is ongoing.
    - II. Agreement entered in 1995, which is ongoing.
    - III. Contract entered on July 01st, 2017 for a period of three years which is still ongoing.
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
    - I. The Company has taken office premises on lease and rent basis on the terms and conditions spelt out in the Rent Agreement.
    - II. The Company has entered into Share Broking and Depository Services in the regular course of business.
    - III. The Company has taken office premises on rent basis on the terms and conditions spelt out in the Rent Agreement.
  - (e) Date(s) of approval by the Board, if any: Not applicable, since the contract was entered into the ordinary course of business and on arm's length basis.
  - (f) Amount paid as advances, if any:
    - I. NIL
    - II. NIL
    - III. NIL



**ANNUAL REPORT ON CSR ACTIVITIES****Pursuant to Section 135 of the Act & Rules made there under**

1. **A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs:**

FSL's CSR policy is aimed at "capacity building" of the under served and marginalized. It has a CSR vision to uphold human values with sustainable community development. Under capacity building, major emphasis will be given to programs that equip women & youth to be drivers of change and children as the future of a maturing economy.

The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013. The Company proposes to promote orphanage education, financial literacy initiatives and setting up old age homes.

Details of CSR policy are available on the web link <http://fslindia.com/pdf/csr%201.pdf>

2. **The Composition of the CSR Committee:**

S.NO	NAME	CATEGORY	DESIGNATION
1	Mr. Atul K Jain	Independent Director	Chairman
2	Mr. Gauri Shanker Pandey	Whole -Time Director	Member
3	Mr. Arun K. Jain	Independent Director	Member

3. **Average net profit of the company for last three financial years for the purpose of computation of CSR: Rs. 6,84,40,650**
4. **Prescribed CSR Expenditure (two percent of the amount shown as in item 3 above):**  
Rs. 13,68,813
5. **Details of CSR spent during the financial year:**
- Total amount to be spent for the financial year: Rs. 13,95,000**
  - Amount unspent, if any: NIL**



**c. Manner in which the amount spent during the financial year is detailed below:**

(1) S. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs 1) Local area or other 2) Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise (Rupees in Lakhs)	(6) Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads : (Rupees in Lakh)	(7) Cumulative expenditure upto the reporting period (Rupees in lakhs)	(8) Amount spent Direct or through implementing agency
1	Army Battle Fund	Financial Assistance to Battle Casualties	Whole of India	0.25	0.25	0.25	Direct
2	Educational Activity	Education Promotion	Delhi NCR	#13.70	13.70	13.70	Implementing Agency
	<b>TOTAL</b>			<b>13.95</b>	<b>13.95</b>	<b>13.95</b>	

# Overall project size is Rs. 50 crores. However, we have contributed towards the campus of the trust

- 6. In case the Company has failed to spend the two percent of the average net profits of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.**

N/A

- 7. A responsibility statement of the CSR Committee that the implementing and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

We declare that implementing and monitoring of the CSR Policy are in compliance with CSR objectives and Policy of the Company.

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

**Atul K. Jain**  
(Chairman CSR Committee)  
DIN: 00133750

**Rakesh K. Jain**  
(Chairman)  
DIN: 00050524

Place: Noida

Date: 24.05.2019

**Jain Aarti & Associates**

Company Secretaries

**Form No. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDING 31st March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,  
**Frontline Securities Limited**  
 M-6, II<sup>nd</sup> Floor, M-Block Market  
 Greater Kailash-II, New Delhi-110048.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Frontline Securities Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Frontline Securities Limited ("The Company") for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable as the Company has not issued further capital during the financial year under review)**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014; **(Not Applicable, as the Company has not made any such scheme during the Audit Period under review)**

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable, as the Company has not issued Debt Securities during the Audit Period under review)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial Year under review);**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable as the Company has not delisted/propose to delist its equity shares from any stock exchange during the financial year under review).**
- (h) I further report that the company has properly complied with the provisions that in pursuant to Regulation 42(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 with respect to comply with the provisions of Sub- Division of 10,00,00,000 (Rupees Ten Crores Only) divided into 2,00,00,000 (Two Crores) Equity Shares having Face Value of Rs. 5/- (Rupees Five Only) each as approved by the Shareholders in the 24th Annual General Meeting held on 25th September, 2018. Consequently upon the sub-division of equity shares, the Capital Clause of the memorandum of Association be and is hereby altered by amending the face value of Equity Shares from Rs. 10/- each to Rs. 5/- each.

I have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (b) The Listing agreement entered by the Company with Bombay Stock Exchange (BSE).

During the period of audit review, the company has complied with all the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc. as mentioned above.

#### **I Report That:**

During the period under review and as per the explanations and representations made by the management and subject to clarifications given to us, the Company has substantially complied with the provisions of the Act, Rules, Regulations, Guidelines, etc., that are applicable to the Company;

I further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that the Company has, in our opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act and the Memorandum and Articles of Association of the Company, with regard to:

- (a) Maintenance of various statutory registers and documents and making necessary entries therein;
- (b) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- (c) Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- (d) Notice of Board Meetings and Committee Meetings of Directors;
- (e) The meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- (f) The Annual General Meeting during the period was held on 25th September, 2018.;
- (g) Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- (h) Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;

- (i) Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- (j) Payment of remuneration to Directors including Whole-time Directors,
- (k) Appointment and remuneration of Auditors;
- (l) Transfers and transmissions of the Company's shares;
- (m) Borrowings and registration, modification and satisfaction of charges wherever applicable;
- (n) Investment of the Company's funds including investments and loans to others;
- (o) Form of Balance Sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedules to the Act;
- (p) Directors' report;
- (q) Contracts, common seal, registered office and publication of name of the Company; and
- (r) Generally, all other applicable provisions of the Act and the Rules made under the Act.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- In accordance with law, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions are carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items.
- The Company has obtained all necessary approvals under the various provisions of the Act; and there was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act 2013, Depositories Act and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Conduct for Independent Directors;
- I further report that Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
- Based on the compliance mechanism established by the Company, I am of the opinion that the management has:-
- Adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- **I further report that the Board of Directors have recommended buy back of 18,90,027, fully paid up Equity shares, during the review period ie. 1st April, 2018 to 31st March, 2019.**
- I further report that the company after properly complying with the provisions of Section 13 (9) and other applicable provisions of the Companies Act, 2013, and subject to the approval of the

Registrar of Companies, Delhi ("ROC") and of other statutory or regulatory authority, as may be necessary Memorandum of Association of the Company, be and is hereby altered by inserting the sub-clauses under Part - A of Clause III.

I further report that: that during the audit period, there were no instances of:-

- a) Foreign technical collaboration during the financial year;
- b) Merger / Amalgamation / Reconstruction etc.;
- c) Public/Right/Preferential issue of shares/debentures/sweat equity shares etc.;
- d) Major decision taken by the members in pursuance to the section 180 of the Companies Act, 2013.

I further report that:

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) I have not verified the correctness and appropriateness of the financial statements of the Company.
- d) The compliance of the provisions of the corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- e) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

2. I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of Act.

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings have been carried out unanimously as recorded in the minutes of the meetings of Board of Directors and Committee of the Board, as case may be.

I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Vaishali  
Date: 24/05/2019

For Jain Aarti & Associates  
(Company Secretaries)

CS Sonal Jain  
Membership No. A24483  
COP No.21639

**Note: This Report is to be read with my Letter of even date which is annexed as Annexure A and forms an integral part of this report.**

**Annexure –A**

The Members,

**Frontline Securities Limited**

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

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place: Vaishali**  
**Date: 24/05/2019**

**For Jain Aarti & Associates**  
**(Company Secretaries)**

**CS Sonal Jain**  
**Membership No. A24483**  
**COP No.21639**



**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2019**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

1	CIN	L65100DL1994PLC058837
2	Registration Date	05/05/1994
3	Name of the Company	FRONTLINE SECURITIES LIMITED
4	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES NON-GOVERNMENT COMPANY
5	(i) Address of the Registered office & contact details	M-6, IIND FLOOR, M BLOCK MARKET, GREATER KAILASH-II, NEW DELHI 110048 E-MAIL ID: secretarial@fsltechnologies.com
	(ii) Address for correspondence	B-22, SECTOR -4, NOIDA -201301, UTTAR PRADESH , PHN : 0120-2534067
6	Whether listed company	YES (Listed on BSE)
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	LINK INTIME INDIA PVT. LTD , NOBLE HEIGHTS, 1ST FLOOR, PLOT NH 2, C-1 BLOCK LSC, NEAR SAVITRI MARKET, JANAKPURI, NEW DELHI-110058, PH: +91-11 41410592/93/94, FAX: +91-11- 41410591

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	MUTUAL FUND DISTRIBUTION	6499	89.03%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

SN	Name and address of the Company	CIN/GLN	Holding/Subsidiary / Associate	% of shares held	Applicable Section
1	NIL	NIL	NIL	NIL	NIL

**IV. SHARE HOLDING PATTERN**  
(Equity share capital breakup as percentage of total equity)

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1-April-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	3,884,414	-	3,884,414	65.53%	7,768,828	-	7,768,828	65.53%	
b) Central Govt	-	-	-	-	-	-	-	-	
c) State Govt(s)	-	-	-	-	-	-	-	-	
d) Bodies Corp.	410,043	-	410,043	6.92%	820,886	-	820,886	6.93%	
e) Banks / FI	-	-	-	-	-	-	-	-	
f) Any other	-	-	-	-	-	-	-	-	
<b>Sub Total (A) (1)</b>	<b>4,294,457</b>	<b>-</b>	<b>4,294,457</b>	<b>72.45%</b>	<b>8,589,714</b>	<b>-</b>	<b>8,589,714</b>	<b>72.46%</b>	
<b>(2) Foreign</b>									
a) NRI Individuals	32,820	-	32,820	0.55%	65,640	-	65,640	0.55%	
b) Government	-	-	-	-	-	-	-	-	
c) Institutions	-	-	-	-	-	-	-	-	
d) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	
e) Any other	-	-	-	-	-	-	-	-	
<b>Sub Total (A) (2)</b>	<b>32,820</b>	<b>-</b>	<b>32,820</b>	<b>0.55%</b>	<b>65,640</b>	<b>-</b>	<b>65,640</b>	<b>0.55%</b>	
<b>TOTAL (A)</b>	<b>4,327,277</b>	<b>-</b>	<b>4,327,277</b>	<b>73.00%</b>	<b>8,655,354</b>	<b>-</b>	<b>8,655,354</b>	<b>73.01%</b>	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds/UTI	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) Alternate Investments Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) FIIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Foreign Venture Capital Investors	-	-	-	0.00%	-	-	-	0.00%	0.00%
j) Foreign Portfolio Investor	-	-	-	0.00%	-	-	-	0.00%	0.00%
k) Provident Fund/Pension Fund	-	-	-	0.00%	-	-	-	0.00%	0.00%
l) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>2. Central Government/ State Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Sub-total (B)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>3. Non-Institutions</b>									
a) Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	298,295	185,323	483,618	8.16%	613,102	297,146	910,248	7.68%	-0.48%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	722,207	-	722,207	12.18%	1,310,134	-	1,310,134	11.05%	-1.13%
b) NBFC Registered with RBI	0	-	-	0.00%	446,701	-	446,701	3.77%	+3.77%
c) Overseas Depositories(holding DRs)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any Other (Specify)									
IEPF	116,004	-	116,004	1.95%	253,476	-	253,476	2.13%	+0.18%
Non Resident Indians(Repatriation)	181,984	-	181,984	3.07%	166,968	-	166,968	1.41%	-1.66%

\* Refer Note No 1 Below



Non Resident Indians(Non Repat)	1,001	-	1,001	0.02%	2,002	-	2,002	0.02%	0.00%
HUF	5,153	-	5,153	0.09%	9,603	-	9,603	0.08%	-0.01%
Clearing Members	7,528	-	7,528	0.13%	3,603	-	3,603	0.03%	-0.10%
Bodies Corporate	70,774	12,300	83,074	1.40%	86,603	11,000	97,603	0.82%	-0.58%
Sub-total (B)(3):-	1,402,946	197,623	1,600,569	27.80%	2,892,192	308,146	3,200,338	26.99%	-0.01%
Total Public (B)	1,402,946	197,623	1,600,569	27.80%	2,892,192	308,146	3,200,338	26.99%	-0.01%
C. Non-Promoter - Non Public									
1) Custodian/DR Holder	-	-	-	0.00%	-	-	-	0.00%	0.00%
2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	5,730,223	197,623	5,927,846	100.00%	11,547,546	308,146	11,855,692	100.00%	

\*Note No. 1. During the year under review, there has been a change in the share capital of the company. One equity share of Rs.10/- each is now sub divided into 2 equity shares of Rs. 5/- each. As on 31st March 2019, the paid up share capital of the company comprises of 1,18,55,692 equity shares of Rs. 5/- each in comparison to 59,27,846 equity share of Rs. 10/- each as on 31st March, 2019. In view of this sub division, figures as on 31st march, 2018 and 31st March, 2019 informed in MGT-9 are not comparable. Accordingly no data has been provided in the “% change during the year

## (ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year ( as on 01st April, 2018)			Shareholding at the end of the year ( as on 31st March, 2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total share of company	No. of Shares	% of total Shares of company	% of Shares Pledged / encumbered to total share of company	
1	Rakesh K. Jain	2,495,910	42.10%	0	4,991,820	42.10%	0	* Refer Note No.1
2	Prerna Jain	1,388,504	23.42%	0	2,777,008	23.43%	0	
3	Hope Consultants Limited	410,043	6.92%	0	820,886	6.93%	0	
4	Vidha Jain	24,510	0.41%	0	49,020	0.41%	0	
5	Aridhi Jain	8,310	0.14%	0	16,620	0.14%	0	
6	Total	4,327,277	73.00%	0	8,655,354	73.01%	0	

\*Note 1: During the year under review, there has been a change in the share capital of the company. One equity share of Rs. 10/- each is now sub-divided into 2 equity shares of Rs. 5/- each. As on 31st March, 2019, the paid up share capital of the company comprises of 1,18,55,692 equity shares of Rs. 5/- each in comparison to 59,27,846 equity shares of Rs. 10/- each as on 31st March, 2019. In view of this sub-division, figures as on 31st March, 2018 and 31st March, 2019 informed in MGT-9 are not comparable. Accordingly no data has been provided in the column “% Change during the Year”.

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of shares	% of total shares
1	<b>Rakesh K. Jain</b>						
	At the beginning of the year	01/04/2018		2,495,910	42.10%		
	Changes during the year	26/10/2018	Alloted due to sub-division	2,495,910		4,991,820	42.10%
	At the end of the year	31/03/2019				4,991,820	42.10%
2	<b>Prerna Jain</b>						
	At the beginning of the year	01/04/2018		1,388,504	23.42%		
	Changes during the year	26/10/2018	Alloted due to sub-division	1,388,504		2,777,008	23.43%
	At the end of the year	31/03/2019				2,777,008	23.43%
3	<b>Hope Consultants Limited</b>						
	At the beginning of the year	01/04/2018		410,043	6.92%		
	Changes during the year	26/10/2018	Alloted due to sub-division	410,043		8,20,886	6.93%
		29/03/2019	Transfer	800		820,886	6.93%
	At the end of the year	31/03/2019				820,886	6.93%

4	<b>Aridhi Jain</b>						
	At the beginning of the year	01/04/2018		8,310	0.14%		
	Changes during the year	26/10/2018	Alloted due to sub-division	8,310		16,620	0.14%
	At the end of the year	31/03/2019				16,620	0.14%
5	<b>Vidha Jain</b>						
	At the beginning of the year	01/04/18		24,510	0.41%		
	Changes during the year	26/10/2018	Alloted due to sub-division	24,510		49,020	0.41%
	At the end of the year	31/03/2019				49,020	0.41%

**Note No. 2: The paid up share capital of the company comprises of 1,18,55,692 equity shares of Rs. 5/- each in comparison to 59,27,846 equity shares of Rs. 10/- each as on 31st March, 2019. In view of this sub-division, the "% of total number of shares" before and after sub-division remains the same.**

#### (iv) Shareholding Pattern of top ten Shareholders

*(Other than Directors, Promoters and Holders of GDRs and ADRs):*

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year ( as on 1st April , 2018)		Cumulative Shareholding during the year ( as on 31st March, 2019)	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>Ajai Chowdhry</b>						
	At the beginning of the year	01/04/2018		2,48,600	4.20%		
	Changes during the Year	26/10/2018	Alloted due to sub-division	2,48,600		4,97,200	4.20%
	At the end of the year	31/03/2019				4,97,200	4.20%
2	<b>Anita Mohan</b>						
	At the beginning of the year	01/04/2018		1,80,684	3.05%		
	Changes during the year	26/10/2018	Alloted due to sub-division	1,80,684		3,61,368	3.05%
		14/12/2018	Transfer	(1,950,00)		1,66,368	1.40%
	At the end of the year	31/03/2019				1,66,368	1.40%
3	<b>Manish Jain</b>						
	At the beginning of the year	01/04/2018		1,67,754	2.83%		
	Changes during the Year	01/06/2018	Transfer	18,486		1,49,268	2.52%
		10/10/2018	Transfer	14,965		1,64,233	2.77%
		26/10/2018	Alloted due to sub-division	164,233		328,466	2.77%
		30/11/2018	Transfer	4,935		3,33,401	2.81%
		07/12/2018	Transfer	5,513		3,38,914	2.85%
		14/12/2018	Transfer	9,890		3,48,804	2.94%
		21/12/2018	Transfer	1,572		3,50,376	2.96%
		28/12/2018	Transfer	120		3,50,496	2.96%
	At the end of the year	31/03/2019				3,50,496	2.96%
4	<b>Gita Chowdhry</b>						
	At the beginning of the year	01/04/2018		1,65,700	2.80%		
	Changes during the year	26/10/2018	Alloted due to sub-division	1,65,700		3,31,400	2.80%

	At the end of the year	31/03/2019			3,31,400	2.80%
<b>5</b>	<b>Investor Education And Protection Fund Authority Ministry Of Corporate Affairs</b>					
	At the beginning of the year	01/04/2018		1,16,004	1.96%	
	Changes during the year	26/10/2018	Alloted due to sub-division	1,16,004		1.96%
		16/11/2018	Transfer	21,468	2,53,476	2.13%
	At the end of the year	31/03/2019			2,53,476	2.13%
<b>6</b>	<b>Iecna Agarwal</b>					
	At the beginning of the year	01/04/2018		39,490	0.66%	
	Changes during the year	26/10/2018	Alloted due to sub-division	39,490	78,980	0.66%
		14/12/2018	Transfer	(78,980)	-	-
	At the end of the year	31/03/2019			-	0.00%
<b>7</b>	<b>Sharad Jain</b>					
	At the beginning of the year	01/04/2018		32,935	0.56%	
	Changes during the year	26/10/2018	Alloted due to sub-division	32,935	65,870	0.56%
	At the end of the year	31/03/2019			65,870	0.56%
<b>8</b>	<b>Pravin Agarwal</b>					
	At the beginning of the year	01/04/2018		32,584	0.55%	
	Changes during the year	26/10/2018	Alloted due to sub-division	32,584	65,168	0.55%
	At the end of the year	31/03/2019			65,168	0.55%
<b>9</b>	<b>Renu Agrawala</b>					
	At the beginning of the year	01/04/2018		20,000	0.34%	
	Changes during the year	26/10/2018	Alloted due to sub-division	20,000	40,000	0.34%
		14/12/2018	Transfer	(40,000)	-	0.00%
		22/03/2019	Transfer	3,274	3,274	0.03%
		29/03/2019	Transfer	2,972	6,246	0.05%
	At the end of the year	31/03/2019			6,246	0.05%
<b>10</b>	<b>Star Finvest Private Limited</b>					
	At the beginning of the year	01/04/2018		19,000	0.32%	
	Changes during the year	26/10/2018	Alloted due to sub-division	19,000	38,000	0.32%
	At the end of the year	31/03/2019			38,000	0.32%
<b>11</b>	<b>CFS Investments Private Limited</b>					
	At the beginning of the year	01/04/2018		15,679	0.26%	
	Changes during the year	26/10/2018	Alloted due to sub-division	15,679	31,358	0.26%
		02/11/2018	Transfer	3,600	34,958	0.29%
	At the end of the year	31/03/2019			34,958	0.29%
<b>12</b>	<b>R N Consultants Private Limited</b>					
	At the beginning of the year	01/04/2018				
	Changes during the Year	21/12/2018	Transfer	4,25,101	4,25,101	3.59%
	At the end of the year	31/03/2019			4,25,101	3.59%

Note No. 2: The paid up share capital of the company comprises of 1,18,55,692 equity shares of Rs. 5/- each in comparison to 59,27,846 equity shares of Rs. 10/- each as on 31st March, 2019. In view of this sub-division, the "% the total number of shares" before and after sub-division remains the same.

**(v) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of shares	% of total shares
<b>1</b>	<b>Rakesh K. Jain</b>						
	At the beginning of the year	01/04/2018		2,495,910	42.10%		
	Changes during the year	26/10/2018	Alloted due to sub-division	2,495,910		4,991,820	42.10%
	At the end of the year	31/03/2019				4,991,820	42.10%
<b>2</b>	<b>Sarabjeet Kaur</b>						
	At the beginning of the year	01/04/2018		-	0.00%	-	0.00%
	Changes during the year			-		-	0.00%
	At the end of the year	31/03/2019		-	0.00%	-	0.00%
<b>3</b>	<b>Baljit Singh Bedi</b>						
	At the beginning of the year	01/04/2018		600	0.01%		
	Changes during the year	26/10/2018	Alloted due to sub-division	600		1,200	0.01%
	At the end of the year	31/03/2019				1,200	0.01%
<b>4</b>	<b>Gauri Shanker Pandey</b>						
	At the beginning of the year	01/04/2018		-	0.00%	-	0.00%
	Changes during the year			-		-	0.00%
	At the end of the year	31/03/2019		-		-	0.00%
<b>5</b>	<b>Charanjeet Singh Bedi</b>						
	At the beginning of the year	01/04/2018		-	0.00%	-	0.00%
	Changes during the year			-		-	0.00%
	At the end of the year	31/03/2019		-		-	0.00%
<b>6</b>	<b>Atul K. Jain</b>						
	At the beginning of the year	01/04/2018		10	0.00%		
	Changes during the year	26/10/2018	Alloted due to sub-division	10		20	0.00%
	At the end of the year	31/03/2019				20	0.00%
<b>7</b>	<b>Arun K. Jain</b>						
	At the beginning of the year	01/04/2018		210	0.00%	-	-
	Changes during the year	26/10/2018		210	0.00%	420	0.00%
	At the end of the year	31/03/2019				420	0.00%
<b>8</b>	<b>Richa Arora</b>						
	At the beginning of the year	01/04/2018		-	0.00%	-	0.00%
	Changes during the year			-		-	0.00%
	At the end of the year	31/03/2019		-	0.00%	-	0.00%
<b>9</b>	<b>Mayank Agarwal</b>						
	At the beginning of the year	01/04/2018		-	0.00%	-	0.00%
	Changes during the year			-		-	0.00%
	At the end of the year	31/03/2019		-	0.00%	-	0.00%+

Note No. 2: The paid up share capital of the company comprises of 1,18,55,692 equity shares of Rs. 5/- each in comparison to 59,27,846 equity shares of Rs. 10/- each as on 31st March, 2019. In view of this sub-division, the "% of total number of shares" before and after sub-division remains the same.

**V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WT/ Manager		Total Amount
	Name	Gauri Shanker Pandey	Richa Arora	(Rs/Lac)
	Designation	Whole Time Directors	Whole-time Director	
1	Gross salary	7.22	5.72	12.94
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify (Conveyance Reimbursement )	-	-	-
	Total (A)	7.22	5.72	12.94
	Ceiling as per the Act			

**B. Remuneration to Directors**

SN.	Particulars of Remuneration	Name of Directors.			Total Amount (Rs/Lac)
1	Independent Directors	NIL	NIL	NIL	-
	Fee for attending board committee meetings	NIL	NIL	NIL	-
	Commission	NIL	NIL	NIL	-
	Others, please specify	NIL	NIL	NIL	-
	Total (1)	NIL	NIL	NIL	-
2	Other Non-Executive Directors	NIL	NIL	NIL	-
	Fee for attending board committee meetings	NIL	NIL	NIL	-
	Commission	NIL	NIL	NIL	-
	Others, please specify	NIL	NIL	NIL	-
	Total (2)	NIL	NIL	NIL	-
	Total (B)=(1+2)	NIL	NIL	NIL	-
	Total Managerial Remuneration	NIL	NIL	NIL	-
	Overall Ceiling as per the Act	NIL	NIL	NIL	-

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTd**

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (Rs/Lac)
	Designation	CFO (Chief Financial Officer)		
1	Gross salary	5.62		5.62
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	5.62	-	5.62

**VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment					
Compounding					



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****1. Industry Structure and Development:**

During the year under review, the capital market has not performed well specifically in the space of Mid Cap and Small Cap stocks. While the Nifty has grown by 13.83% and the Large Cap Stocks pack has done well in general, there has been downfall in the Mid Cap and Small Cap index by 4.39% and 15.85% respectively.

During the year under review, the major investments of the company were in mid-caps stocks and due to their performance, the company could not get adequate returns. During the year under review the company has incurred Capital Loss of Rs. 12.23 Lakhs as against Capital Gains of Rs. 860.65 lakhs in the last year, However, in comparison to the last year there has been enhancement in the commission and brokerage income from Mutual Fund distribution. The same has increased from Rs. 309.52 Lakhs to Rs. 505.05 lakhs during the year under review.

**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. Further, the Company endeavors to evaluate opportunities considering the macro economic conditions both globally & domestically.

**3. Segment wise performance & outlook**

During the year under review, the Company operates in one geographical segment i.e. India & has identified three business segments i.e. Segment-I which is Consultancy Service, Commission & Brokerage, Segment-II Investments in Bonds, Fixed deposits & Loan & Advances and Segment III Renting and Co- Work. The company earned profit before tax of Rs. 606.01.

**4. Outlook**

In the near future, the Company intends to continue to focus on its current business of investment management consultation, Mutual fund distribution etc.

**5. 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. Risk can be broadly categorized into two broad categories: One Risk Associated at the Transactional Level and the other Risk Associated at the Decision Making Level. Appropriate attention is given to manage both the risks.

**6. Internal Control Systems and their adequacy**

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 assets of the Company are safeguarded and protected against any loss and that all transactions are properly authorized, recorded and reported.

**7. Financial Performance**

(Rupees in Lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Sales / income from operations	567.30	351.09
Other Income	29.94	944.97
Expenses	189.88	134.14
Extra-Ordinary Item	198.65	-
Profit Before Tax	606.01	1161.92
Less: Tax Expense		
- Current Tax	178.31	231.02
- Mat Credit Entitlement	-	(65.09)
- Deferred Income Tax	(26.94)	(0.41)
Profit After Tax	454.65	996.40
Proposed Dividend	29.64	29.64

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

**8. Human Resources**

The Company lays due emphasis on sound Human Resource Management practices and appraisal systems with focus on cordial employer-employee relations to ensure higher level of productivity and operational efficiency. Adequate initiatives have been taken to strengthen and develop its human resources as a key strength through continues training inputs and focused development plan. As on 31st March, 2019, the total number of employees was 11.

**9. Details of the Significant changes in Key Financial Ratios**

S.NO	FINANCIAL RATIOS	2018-19 (A)	2017-18 (B)	CHANGE IN RATIOS (A-B)
1.	Debtors Turnover ratio	0.074:1	0.228:1	(0.154)
2.	Inventory Turnover ratio	NOT APPLICABLE		
3.	Interest Coverage Ratio			
4.	Current Ratio	2.05	3.16	(1.11)
5.	Debt-Equity Ratio	0.016:1	0.025:1	(0.009)
6.	Operating Profit Margin	68.73%	89.65%	(20.92)
7.	Net Profit Margin	76.13%	76.88%	(0.75)
8.	Return on Net Worth	9.16%	21.92%	(12.76)

**10. Disclosure of Accounting Treatment**

The Financial Statement has been prepared in Accordance with the Principles laid down in Accounting Standards

**11. Cautionary Statement**

Statement in this Management Discussion and Analysis Report describing the company's objective, projects, 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 within including change in government regulations, tax regimes and economic development within and outside India.

By Order of the Board of Directors  
For **FRONTLINE SECURITIES LIMITED**

Date: 24.05.2019  
Place: Noida

**RICHA ARORA**  
Whole Time Director & Company Secretary  
DIN:07825684

**REPORT ON CORPORATE GOVERNANCE****1. Company's Philosophy on Code of Corporate Governance**

The Company's endeavor is to follow the spirit of good governance rather than mere compliance with the conditions specified by regulatory authorities. The Board is collectively responsible for pursuing this purpose. The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has formulated, inter alia, various policy documents and introduced best practices of governance. For the Company, Corporate Governance is not a destination but a continuous journey that seeks to provide an enabling environment to harmonize the goals of maximizing stakeholders' value and maintaining a strong customer focus.

It is the road map which guides the Board of Directors of the Company to govern the affairs of the Company in a manner most beneficial to all the shareholders, the creditors, the Government and the Society.

The Board of Directors believes that Corporate Governance is the most powerful tool for achieving Corporate excellence and it also presents a Compliance Report on the Corporate Governance pursuant to listing Regulations and the Company endeavors to adopt the best practices.

**2. Board Composition and Particulars of Directors**

- 2.1** The Board of Directors of the Company have an optimum combination of Executive, Non-Executive and Independent Directors having wide experience in the field of business, finance, education industry, commerce & administration. At present, the Board of the Company comprises of Eight Directors including two Women Directors and four Independent Directors. None of the Directors on the Board is a member of more than 10 Committees and Chairperson of more than five committees across all the companies in which he/she is a director.

The composition of the Board and category of Directors are as follows:

Category	Name of Directors
Non-Executive & Promoter Director	Mr. Rakesh K. Jain
Non-Executive Independent Director*	Mr. Arun K. Jain
	Dr. Charanjeet Singh Bedi
	Mr. Baljit Singh Bedi
	Mr. Atul K. Jain
Non-Executive Non Independent Woman Director	Mrs. Sarabjeet Kaur
Whole Time Director (Executive Director)	Mr. Gauri Shanker Pandey
Whole Time Director (Executive Director)	Ms. Richa Arora

\*The term of five years of all Independent Directors expires on 16th September, 2019. At the Board Meeting held on 24th May, 2019, the Board recommends the re-appointment of all the Independent Directors for the second term of five years w.e.f September 12, 2019 (date of Annual general Meeting) or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.

The Company has put in place a familiarization program for the Independent Directors, their roles, rights, responsibilities in the Company and related matters. Quarterly updates on relevant statutory matters are also informed to Directors. Details of familiarization program are available on the website of the Company at the link <http://fslindia.com/pdf/FAMILIARIZATION+PROGRAMMES.pdf>

**2.2 Disclosure of Relationships between Directors Inter-Se**

No Director is related to any other Director on the Board in terms of the definition of "relative" given under the Companies Act, 2013.

**2.3 The shareholding of non-executive directors as on March 31st, 2019 is as follows:**

<b>Name</b>	<b>No. of shares held</b>
Rakesh K. Jain	49,91,820
Atul K. Jain	20
Arun K. Jain	420
Dr. C.S. Bedi	Nil
Baljit Singh Bedi	1,200
Sarabjeet Kaur	Nil
<b>Total</b>	<b>49,93,460</b>

**2.4 Director Retiring by Rotation**

Details of Director retiring by rotation are as follows:

Mr. Rakesh K. Jain is an alumnus of Shri Ram College of Commerce with Masters in Commerce and rank holder Chartered Accountant of The Institute of Chartered Accountants of India, Qualified in 1979 batch. He has extensive experience in the field of capital market, taxation including international taxation, mergers, acquisitions, software etc.

Mr. Rakesh K. Jain has been on the Board of Association of NSE Members of India (ANMI) & the Chairman of Northern Region. In 2002-03, he was Alternate President (New Delhi).

During 2003-04 he was also all India President of ANMI. Mr. Rakesh K. Jain has also edited a chapter on foreign collaboration agreement in the book titled "Mogha's Indian Conveyancer". He has been active in various committees set up by varied Institutions like ANMI, SEBI, ICAI, PHD Chamber of Commerce, etc. He has been actively involved in writing articles, delivering lectures and has been part of delegations to various authorities from a number of forums. He has also been active in various entrepreneurship and organization building programs. He has authored an organization building book titled "Leaders & Ladders".

Mr. Rakesh K. Jain has acted as Chief Technical Advisor for "Master of Business Finance" Course and "Course on Valuation" conducted by the Institute of Chartered Accountants of India (ICAI). He has to his credit contribution to NACAS (National Advisory Committee on Accounting Standards), setup by Ministry of Corporate Affairs as a special invitee.

Mr. Rakesh K. Jain is the founder and chairman of FSL Group of Companies namely Frontline Capital Services Ltd., Frontline Securities Ltd., FSL Software Technologies Ltd., besides having Directorships in other companies. Using his extensive experience, vast knowledge and entrepreneurial skills Mr. Rakesh K. Jain has been instrumental in the phenomenal growth of the Company.

**2.5 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, Nine (9) 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.	12th April, 2018	8	8
2.	28th May, 2018	8	8
3.	10th August, 2018	8	8
4.	9th October, 2018	8	7
5.	24th October, 2018	8	7
6.	12th November, 2018	8	7
7.	12th February, 2019	8	8
8.	26th March, 2019	8	8
9.	30th March, 2019	8	8

Attendance of Each Director at the 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:

**Particulars of attendance at Board Meetings and last Annual General meeting**

S. No	Name of Director	Attendance at Meetings during 2018-2019		No. of other Directorship and Committee Member/		Name of Listed Entities where the Person is Director and Category of Director
		Board Meetings	Last AGM	Other Directorships #	No. of Membership(s)/Chairmanship of Board Committee in other Companies	
1	Mr. Rakesh K. Jain	9	Yes	8	NIL	NIL
2	Mr. Atul K. Jain	9	Yes	1	NIL	NIL
3	Mr. Arun K. Jain	9	Yes	1	NIL	NIL
4	Dr. Charanjeet Singh Bedi	9	Yes	2	NIL	NIL
5	Mrs. Sarabjeet Kaur	9	Yes	-	NIL	NIL
6	Mr. Baljit Singh Bedi	9	Yes	1	NIL	NIL
7	Mr. Gauri Shanker Pandey	6	Yes	2	NIL	NIL
8	Ms. Richa Arora	9	Yes	-	NIL	NIL

# The Directorship held by Directors as mentioned above does not include the directorship in Foreign Companies and in Frontline Securities Limited.



**Details of other Committee Position of Director/CFO in Company**

Name of the Committee	Audit Committee	Stakeholders Relationship Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee	Risk Management Committee
AtulK.Jain	Chairman	Chairman	-	Chairman	Member
ArunK. Jain	Member	Member	Chairman	Member	Member
Dr. Charanjeet Singh. Bedi	Member	-	Member	-	-
Baljit Singh Bedi	Member	-	Member	-	-
Sarabjeet Kaur	-	Member	-	-	-
Gauri Shanker Pandey	-	-	-	Member	Chairman
Mayank Agarwal	-	-	-	-	Member

**#Mr. Rakesh K. Jain and Ms. Richa Arora, Directors of the Company do not hold any Committee Position.**

## **2.6 Matrix setting out the skills/ expertise/ competence of the Board of Directors**

The employees of the Company work under the Overall supervision of the Board of Directors of the Company. The Company being into Investment Business, the employee and Board of Directors of the Company have the requisite acumen and expertise to identify and captive various Investment options and to evaluate the same at regular intervals in the interest of the Company and its Customers.

Mr. Rakesh K Jain Director of the company has been authorized to take day to day decisions of investment and other activities

## **3. Independent Directors**

The Company has complied with the definition of Independence as per Regulation 16 of SEBI (Listing obligations and Disclosure Requirements) Regulations 2015 and according to the provisions of section 149(6) Companies Act, 2013.

All the Independent Directors of the Company furnish a declaration annually that they qualify the conditions of their being independent. In the opinion of the Board, The Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and are independent of the management.

During the period under review, none of the Independent Directors has resigned before the expiry of their tenure.

### **Separate Meeting of the Independent Directors:**

The Independent Directors held a meeting on 26th March, 2019, without the attendance of Non-Independent Directors and members of Management therein to review the performance of Non-Independent Directors and the Board as a whole. All the Independent Directors were present at the meeting.

The Independent Directors also reviewed the Quality, Quantity and timelines of the flow of Information between the management and Board and its Committees, which is necessary to effectively and reasonably prefer and discharge their duties.

#### 4. Audit Committee

##### 4.1 Composition

Presently, the Audit Committee comprises of 4 (four) members viz. Mr. Atul K. Jain, Mr. Arun K. Jain, Mr. Baljit Singh Bedi and Dr. Charanjeet Singh Bedi. The Audit Committee is being chaired by Mr. Atul K. Jain. All the members of the Audit Committee are Non-Executive and Independent Directors, Majority of the members of Audit Committee have accounting and financial management expertise. Ms. Richa Arora, Company Secretary of the Company act as a Secretary to the Audit Committee.

##### 4.2 Terms of Reference

The powers and terms of reference of the Audit Committee are as mentioned in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and section 177 of the Companies Act, 2013 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.

##### 4.3 Meetings and attendance during the year

The Audit Committee met Five (5) times during the Financial Year 2018-2019. The details of attendance at these meetings are as follows:

Name	Position	Attendance At Meeting held on				
		12 <sup>th</sup> April, 2018	28 <sup>th</sup> May, 2018	10 <sup>th</sup> August, 2018	12 <sup>th</sup> November, 2018	12 <sup>th</sup> February, 2019
Mr. Atul K. Jain	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. Arun K. Jain	Member	Yes	Yes	Yes	Yes	Yes
Dr. Charanjeet Singh Bedi	Member	Yes	Yes	Yes	Yes	Yes
Mr. Baljit Singh Bedi	Member	Yes	Yes	Yes	Yes	Yes

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

The Chief Financial Officer and Auditors are invitees to the Audit Committee Meeting.

#### 5. Stakeholder Relationship Committee

##### 5.1 Terms of Reference

The powers and terms of reference of the Stakeholder Relationship Committee are as mentioned in Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and section 178 of the Companies Act, 2013 which inter alia, include the monitoring and expeditious redressal of investors / stakeholders grievances and ensures that all issues / concerns of stakeholders are addressed / resolved promptly. The Stakeholder Relationship Committee has been constituted to attend & resolve the requests of dematerialization of shares, re-materialization of shares, share transfer and to redress investor's grievance/complaints and regular correspondence such as non-receipt of Annual Report, non-receipt of Dividend and entertains such other related matters.

##### 5.2 Composition of the Committee

The Committee consists of 2 Non-Executive Independent Directors and 1 Non-Executive Non-Independent Director. The Stakeholder Relationship Committee is being chaired by Mr. Atul K. Jain.

### 5.3 Meetings and attendance during the year

During the Financial Year ended March 31st, 2019, Twenty Five (25) 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	Position	No. of Meetings held	Attendance
Atul K. Jain	Chairman	25	25
Arun K. Jain	Member	25	25
Sarabjeet Kaur	Member	25	25

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

### 5.4 Name and Designation of Compliance Officer

Ms. Richa Arora, Company Secretary is the Compliance Officer for complying with the requirements of Securities Laws and Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

During the year under review the company has received 157 correspondence from investors/ members and no investor complaints/correspondence is pending as on March 31st, 2019.

As on March 31st, 2019, there is no pending request for share transfer, dematerialization or re-materialization of shares.

## 6. Nomination and Remuneration Committee

### 6.1 Terms of Reference

The powers and terms of reference of the Stakeholder Relationship Committee are as mentioned in Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 178 of the Companies Act, 2013.

The Nomination and Remuneration committee recommends to the board the set up and composition of the board and its committees including the formulation of the criteria for determining qualifications, positive attributes and independence of a director.

The committee reviews the composition of the board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience and also recommends to the board the appointment or reappointment of directors.

### 6.2 Composition

The Nomination and Remuneration Committee of the Company consist of three Non- Executive Independent Directors.

Name of Member	Position	No. of Meetings held	Attendance
Mr. Arun K. Jain	Chairman	1	1
Dr. Charanjeet Singh. Bedi	Member	1	1
Mr. Baljit Singh Bedi	Member	1	1

### 6.3 Meetings and attendance during year

During the year the Committee had one (1) meeting on 12th April, 2018.

### 6.4 Performance Evaluation of Non-Executive and Independent Directors

The Board at its meeting held on 30th March, 2019 evaluates the performance of Non-executive and Independent Directors every year and in the evaluation, the Director who is subject to evaluation had not participated in the discussion. All the Non-executive and Independent Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions and in the overall benefits of the Company.

**7. Remuneration of Directors.**

- (a) **Pecuniary relationship or transaction of the non-executive directors**  
Company has no pecuniary relationship with Non-Executive Directors
- (b) **Criteria of making payment to Non-Executive Directors**  
At present no remuneration is being paid to the Non- Executive Directors.
- (c) **Disclosure with respect to remuneration made to executive director viz. Gauri Shanker Pandey & Ms. Richa Arora ( Whole Time Directors of the Company) : in addition to disclosures required under the Companies Act, 2013**

S.no	Particulars	Monthly Remuneration Amount (in Rs.)	
		Mr. Gauri Shanker Pandey	Ms. Richa Arora
1	Basic	40,000	12,500
2	HRA	15,000	12,500
3	Conveyance	2,200	1,600
4	Other Allowances	1,600	19,875
	<b>Gross Salary</b>	<b>58,800</b>	<b>46,475</b>
5	Gratuity	-	625
6	Bonus (Quarterly Payable)	1,400	1,400
7	PF (Employee Contribution)	4,800	1,500
	<b>CTC (Cost to Company)</b>	<b>65,000</b>	<b>50,000</b>

For any termination of contract, the Company or the Whole Time Director is required to give notice of one month or payment of equivalent gross monthly salary in lieu thereof on either side.

The Company does not have any stock option scheme.

**8. Corporate Social Responsibility Committee (CSR)****8.1 Terms of reference:**

The CSR Committee formulates and recommends to the board, a Corporate Social Responsibility (CSR) Policy, recommends the amount of expenditure to be incurred towards social responsibility and also oversees activities impacting the quality of life of various stakeholders.

**8.2 Composition:**

The CSR Committee of the Company consists of two Non-Executive Independent Directors and one Whole Time Director.

**8.3 No. of Meetings held during the year:**

During the year the Committee had two meeting held on 19th February, 2019 and 26th March, 2019.

**8.4 Composition, name of Members and attendance during the year**

Name of Member	Position	No. of Meetings held	Attendance
Atul K. Jain	Chairman	2	2
Arun K. Jain	Member	2	2
Gauri Shanker Pandey	Member	2	2

**9. RISK MANAGEMENT COMMITTEE****9.1 Terms of reference:**

The Board of the Company has formed a Risk Management Committee to frame, implement and monitor the **Frontline Securities Ltd.**

risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness.

## 9.2 Composition:

The Risk Management Committee of the Company consists of two Non- Executive Independent Directors and one Whole Time Director and one Chief Financial Officer.

## 9.3 No. of Meetings held during the year:

During the year the Committee had one meeting on 26th March, 2019.

## 9.4 Composition, name of Members and attendance during the year

Name of Member	Position	No. of Meetings held	Attendance
Mr. Gauri Shanker Pandey	Chairman	1	1
Mr. Arun K. Jain	Member	1	1
Mr. Atul K. Jain	Member	1	1
Mr. Mayank Agarwal	Member	1	1

## 10. Details of General Body Meetings

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

Year	Location	Date	Time	Whether any special resolution passed therein
2015-16	PHD House- Lakshmipat Singhania Auditorium, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	September 20, 2016	09:45 A.M	No
2016-17	PHD House- Lakshmipat Singhania Auditorium, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	August 9, 2017	09:45 A.M	Yes
2017-18	PHD House- Lakshmipat Singhania Auditorium, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	September 25, 2018	09:45 A.M	Yes

**10.2 Postal Ballot**

Any special resolution was not passed last year through postal ballot.

Although, this year, the Board has proposed Special Resolution in respect of Buy Back and the same has been passed through Postal Ballot on 7th May, 2019. The result of Postal Ballot will be declared in Annual General Meeting.

**The summarized details of Voting (remote E-Voting and physical ballot) on the above said resolution as per scrutinizer's report were as under:**

**Approval of Buy Back of Shares****(i) Voted in favour of the Resolution :**

No. of Members Voted	Mode of Voting	Number of Votes Casted by them	% of the total number of valid votes
15	E-Voting	10,462,502	99.95777%
6	Postal Ballot	4,420	0.04223%
	Total	10,466,922	100.000%

**(ii) Voted against in the Resolution:**

No. of Members Voted	Mode of Voting	Number of Votes Casted by them	% of the total number of valid votes
15	E-Voting	-	-
6	Postal Ballot	-	-
	Total	-	-

**(iii) Invalid Votes :**

Total Number of Members Voted	Total Number of Votes cast by them
1	200

Since, out of the total Valid polled, 100% of the Votes were in favor of the Resolution, the above Special Resolution was declared to have been passed with overwhelming majority.

**11. Means of Communication of Financial Results**

- The quarterly un-audited financial results are announced within the time frame stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The aforesaid financial results are taken on record by the Board of Directors and are communicated to the Bombay Stock Exchange (BSE) 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. The results and official news releases of the Company are also made available on the Company's website i.e. [www.fslindia.com](http://www.fslindia.com).

**12 SEBI Complaints Redressal System (SCORES) :**

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redresses all the shareholder's complaints. The company is in compliance with the SCORES and redresses the shareholders complaints well within the stipulated time. During the year under review, no such complaint has been received on such platform.

**13. General Member Information****a) The Details of Annual General Meeting to be held:**



Date	September 12th, 2019
Day	Thursday
Time	9:45 A.M.
Venue	PHD House-Lakshmipat Singhania Auditorium, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016

**b) Financial Calendar**

Results for the quarter ended 30th June, 2019	Will be Announced on/ before 14th August, 2019
Results for the quarter ended 30th September, 2019	Will be announced on/ before 14th November, 2019.
Results for the quarter ended 31st December, 2019	Will be announced on/ before 14th February, 2020.
Results for the year ended 31st March, 2020	Will be announced on/ before 30th May, 2020.

**Book Closure Dates:** September 6th, 2019 (Friday)  
to  
September 12th, 2019 (Thursday)

**c) Dividend Payment date:** Credit/dispatch of dividend warrants between September 12th, 2019 and October 3, 2019.

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.

**d) Listing on Stock Exchange :** The Equity shares of the Company are listed with Bombay Stock Exchange Ltd. (the Listing Fees has been paid for FY 18-19)

**e) Stock Code** 533213  
**ISIN** INE773B01020

**f) Stock Market Price Data**

MONTH	Bombay stock Exchange (BSE) (in Rs. Per Share)	
	Month's High Price	Month's Low Price
Apr-18	82.80	56.00
May-18	74.00	49.50
Jun-18	70.40	57.65
Jul-18	70.00	58.10
Aug-18	75.00	58.50
Sep-18	71.70	62.00
*Oct-18	72.00	29.05
Nov-18	36.00	29.25
Dec-18	42.90	29.00
Jan-19	42.00	19.05
Feb-19	36.00	27.00
Mar-19	45.60	27.15

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

\*The variation seen in the monthly high price and low price in the month of October, 2018 is due to sub-division of Equity Shares.

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



h) During the year under review, the Securities of the Company has not been suspended from trading.

i) **Registrar & Share Transfer Agents:** M/s Link Intime India Private Limited,  
Noble Heights, 1st Floor Plot NH 2,  
C-1 Block LSC, Near Savitri Market  
Janakpuri, New Delhi-110058.

j) **Share Transfer System**

The Share Transfers pertaining to share 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.

k) **Distribution of Shareholding as on March 31st, 2019 is as follows:**

Shareholding of Shares	Folios		Shares	
	Numbers	%	Numbers	%
1-500	1857	82.83	263664	2.22
501-1000	213	9.50	161354	1.36
1001-2000	85	3.79	139813	1.18
2001-3000	31	1.38	79389	0.67
3001-4000	6	0.27	23400	0.20
4001-5000	4	0.18	18166	0.15
5001-10000	22	0.98	151043	1.27
10001 & above	24	1.07	11018863	92.95
<b>TOTAL</b>	<b>2242</b>	<b>100.00</b>	<b>11855692</b>	<b>100.00</b>

**I) Shareholding Pattern as on March 31st, 2019 is as follows:**

S.No.	Category	No. of equity shares	% of shares	
1.	Promoters	86,55,354	73.01	
	Sub Total (A)	86,55,354	73.01	
2.	Public Shareholding			
	• Bodies corporate	544,304	4.59	
	• Individuals	2,389,352	20.15	
	• others	266,682	2.25	
	Sub Total (B)	32,00,338	26.99	
	<b>Grand Total (A)+(B)</b>	<b>1,18,55,692</b>	<b>100.00</b>	

**m) Dematerialization of shares and Liquidity**

As on 31st March 2019, 1,15,47,546 shares aggregating to 97.40% of the paid up share capital are held in dematerialized mode. The shares of the Company are listed on BSE Limited, which provides sufficient liquidity.

**n) Outstanding GDRs/ADRs/Warrants**

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

**o) 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**

Noble Heights, 1st Floor,  
C-1 Block, LSC  
Near Savitri Market, Janakpuri,  
New Delhi-110058

Contact No: +91-11-41410592/93/94

**Frontline Securities Ltd.****Registered Office:**

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

**Branch Office:**

B-22, Sector-4, Noida-201301  
Tel: +91-120-2534067, 68  
Fax: +91-120-2534111

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

p) The company does not have any debt instruments or any fixed deposit programmes, hence no credit rating has been obtained.

**14. Other Disclosures**

- 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. The Company does not have any materially significant related party transactions that may have potential conflict with the interests of listed entity.
- 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.
- The company has established a Vigil Mechanism for all directors & employees to report concerns about

unethical behavior, actual or suspected fraud or violation of the company's code of conduct. And as per the Company's Policy any Personnel can approach Audit Committee However no such instance has been reported during the year under review.

- iv) The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- v) Company does not have any Material Subsidiary.
- vi) The policy on dealing with the related party transactions is available on the Website of the Company on <http://www.fslindia.com/pdf/RPT.pdf>.
- vii) The Company does not deal in Commodity Market.
- viii) During the year under review, the Company has not raised any fund(s) through Preferential Allotment or Qualified Institutional Placement as specified under Regulation 32(7A) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.
- ix) The Company has obtained a Certificate from M/s Jain Aarti & Associate, Company Secretaries in Practice, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as the directors of the company by Board/ Ministry of Corporate Affairs (MCA) or any such statutory authority.
- x) The Board of Directors of the Company has accepted all the recommendations made by all the Committees of the Company.
- xi) The total fees for all the services paid by the company on consolidated basis, to the Statutory Auditors i.e M/s Walecha Inder & Associates, Chartered Accountants are Rs, 30,000/- (Thirty Thousand only).
- xii) Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been provided elsewhere in the Directors Report.
- xiii) 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.
- xiv) The Company has in place a comprehensive Code of Conduct (the Code) applicable to all the directors and senior management. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The copy of code of conduct has been put on company's website <http://www.fslindia.com/pdf/CODE%20OF%20CONDUCT1.pdf>

15. The Company has complied with the conditions of Corporate Governance requirements as stipulated in the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as applicable.

#### 16. Discretionary Disclosure

**I) Reporting of Internal Auditor:** The Internal Auditor of the Company reports both to Audit Committee and Board.

#### 17. Prevention of Insider Trading

In accordance with the requirements of SEBI (Prohibition of insider Trading) Regulations 2015, the company has instituted a code of conduct for prohibition of insider trading in the company's shares.

#### 18. Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository limited (NSDL) and Central Depository Services (India) Limited (CDSIL) and the total issued and paid-up capital. This audit is carried out every quarter and the report thereon is submitted to the stock exchanges and is placed before the Board of Directors of the Company. The audit, inter alia, confirms that the listed and paid up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSIL and the total number of shares in physical form.

#### 19. Transfer of Unclaimed Dividend To Investor Protection Fund

Pursuant to the provisions of Section 124 of the Companies Act, 2013, the dividend amounts which have remain unpaid or unclaimed for a consecutive period of seven years from the date of declaration of such dividend have

to be transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government pursuant to Section 125 of the said Act. Shareholders who have not encashed their dividend warrants relating to the year 2011-12 and subsequent years send their request for issue of duplicate warrants. Once unclaimed dividend is transferred to the IEPF Authority, the same can be claimed from the IEPF Authority after following the procedures prescribed in the IEPF Rules.

During the Year, Company has transferred 21468 equity shares to IEPF Suspense Account.

#### **20. CEO/CFO Certification**

In accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, CA. Mayank Agarwal, the CFO of the Company, has certified to the Board that to the best of his knowledge and belief, the financial statements and Cash Flow statements present a true and fair view of the Company's affairs. The CFO Certification is provided in the Annual Report.

#### **21. Code of Conduct**

As per Regulation 8(2) and 9(2) of the SEBI (Prohibition on Insider Trading) Regulations, 2018, The Company has laid down a revised 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 31st, 2019. The declaration to this effect signed by the Whole-Time Director forms part of the report.

#### **22. Compliance Certificate on the Corporate Governance from the Auditors**

The certificate dated May 24th, 2019 obtained from Statutory Auditors of the Company, M/s. Walecha Inder & Associates, confirming compliance with the Corporate Governance requirements as stipulated under Schedule V read with Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed hereto.

#### **23. Green Initiative in the Corporate Governance:**

As part of the green initiative process, the Company has taken an initiative of sending documents/ Annual Report by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the company or on specific request. Shareholders are requested to register their email id with Registrar and Share Transfer Agent / concerned depository and Company to enable the Company to send the documents in electronic form.

By Order of the Board of Directors  
**For Frontline Securities Limited**

**Richa Arora**

**Whole Time Director and Company Secretary**  
**DIN: 07825684**

**Date: 24.05.2019**

**Place: Noida**



**CERTIFICATE BY THE CHIEF FINANCIAL OFFICER (CFO) PURSUANT TO PART B SCHEDULE II READ WITH REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

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

I, C.A. Mayank Agarwal., Chief Financial Officer of Frontline Securities limited, to the best of my knowledge and belief, certify that:

A. I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:

- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- 2) These statements together present a true and fair view of 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 violated 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. I have not come across any reportable deficiencies in the design or operation of such internal controls.

D. I have indicated to the auditors and the Audit Committee-

- 1) That there are no significant changes in internal control over financial reporting during the year;
- 2) That there are no significant changes in accounting policies during the year; and
- 3) That there are no instances of significant fraud of which I have become aware.

E. I affirm that we have not denied my personnel access to the audit committee of the company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices:

F. I further declare that all board members and senior management personnel have affirmed compliance with the code of conduct and ethics for the year convened by this report.

Date: 24.05.2019  
Place: Noida

Mayank Agarwal  
Chief Financial Officer  
M.NO:544992



**Declaration by Whole Time Director under Regulation 34(4) and Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 regarding the compliance with Code of Conduct**

**To,**

**The Members**

**Frontline Securities Limited**

In accordance with the Regulation 34(4) and Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, I hereby confirm that, all Board Members and the Senior Management personnel of the Company have affirmed compliances with the Rules of Code of Conduct, as applicable to them, for the Financial Year ended on March 31, 2019.

**On Behalf of the Board of Director  
For Frontline Securities Limited**

**Date: 24.05.2019**

**Place: Noida**

**Gauri Shanker Pandey  
Whole Time Director  
DIN: 00050614**

**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE****UDIN No : 19093694AAAABB1290**

To

The Members of

Frontline Securities Limited

1. This certificate is issued in accordance with terms of our engagement, with Frontline Securities Limited ('the Company').
2. We have examined the compliance of conditions of Corporate Governance by Frontline Securities Limited ('the Company'), for the year ended 31st March 2019, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of the Regulation 46(2) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('Listing Regulations') as amended from time to time (the "Listing Regulations").

**Management's responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the 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.

**Auditor's responsibility**

4. Our Responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
5. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with the conditions of Corporate Governance as stipulated in Listing Regulations.
6. We have carried out an examination of the relevant records of the Company in accordance with the "guidance Note on the Certification of Corporate Governance", issued by the Institute of the Chartered Accountants of India ("the ICAI"), the standards on the Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the "Guidance Note on the Reports or Certificates for Special Purposes", issued by the ICAI, which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the standard on quality Control (SOC) I. "Quality Control for Firms that Perform audits and reviews of Historical Financial Information and Other Assurance and Related Services engagements", issued by the ICAI.

**Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, during the year ended 31st March, 2019.
9. We further state that 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 Walecha Inder & Associates**  
**Chartered Accountant**  
**FRN: 014205N**

**Date: 24.05.2019**  
**Place: Noida**

**Walecha Inder Jeet**  
**Partner**  
**M. No. 093694**

**INDEPENDENT AUDITOR'S REPORT**

TO  
THE MEMBERS OF  
FRONTLINE SECURITIES LIMITED

**Report on the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of "FRONTLINE SECURITIES LIMITED" ("the company"), which comprises the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss, the cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of the affairs of the Company as at 31st March, 2019, and its profits and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation & presentation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### **Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013, we enclose in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the said order.

2. As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The company does not have any other branch where separate accounting record is maintained.
- d) The Balance Sheet, and the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and returns;
- e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) On the basis of written representations received from the directors as on 31 March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and.
- h) With respect to the other matters to be included in the auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 197 of the Act is not applicable to the company; and

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a) The company does not have any pending litigation which would impact its financial positions.
- b) The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- c) During the year under review, the company has transferred the required amount to Investor protection Fund .

**For M/s Walecha Inder & Associates**  
**Chartered Accountants**  
**Registration No. 014205N**

**Place: Noida**  
**Date: 24.05.2019**

**(Walecha Inder Jeet)**  
**Partner**  
**Membership No. 093694**

**Annexure - A to the Auditors' Report****ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF "FRONTLINE SECURITIES LIMITED" FOR THE YEAR ENDED 31ST MARCH 2019**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report that:

- (I) (a) The Company has maintained proper 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 at regular intervals and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c). According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of company.
- (ii) The nature of the company is such that clause 3(ii) of the Order is not applicable.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered under register maintained under Section 189 of the Companies Act, 2013 and therefore, clause 3(iii) of the Order is not applicable.
- (iv) In our opinion, and according to information and explanation given to us, company has not granted any loans, investment, guarantees and security to director or any other person in whom director is interested therefore provisions of section 185 and 186 of the Companies Act, 2013, is not applicable to the company
- (v) According to the information and explanations given to us, the company has not accepted any deposit from the public under the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under and accordingly the clause 3(v) of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) In our opinion and according to the information and explanations given to us, and on the basis of our examination of the records of the Company, the provisions of Custom Act, Excise Duty 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 Income Tax, GST, Cess and any other statutory dues with the appropriate authority. There are no undisputed statutory dues payable in respect of Income Tax, GST, Cess and any other statutory dues which are standing as at 31 March 2019 for a period of more than six months from the date they became payable.
- (b) There are no statutory dues of Provident Fund, Employee State Insurance, Investor Education & Protection Fund, Income Tax, Service Tax, Cess and any other statutory dues which have not been deposited on account of any dispute.
- (viii) In our opinion, and according to the information and explanations given to us, the company is not required to repay any dues to a financial institution or bank or debenture holders during the current financial year. Accordingly, paragraph 3 (viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the

Order is not applicable.

- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided any managerial remuneration as per the provisions of Sec 197 of Companies Act, 2013 read with Schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 vide Certificate of Registration number B-14.00089 dated 26.02.1998

**For M/s Walecha Inder & Associates**  
**Chartered Accountants**  
**Registration No. 014205N**

**(Walecha Inder Jeet)**  
**Partner**  
**Membership No. 093694**

**Place: Noida**

**Date: 24.05.2019**



**Annexure - B to the Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Frontline Securities Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M/s Walecha Inder & Associates**  
**Chartered Accountants**  
**Registration No. 014205N**

**(Walecha Inder Jeet)**  
**Partner**  
**Membership No. 093694**

**Place: Noida**

**Date: 24.05.2019**

## Balance Sheet as at 31st March 2019

(Amount in Rs.)

	Note No	As at 31.03.2019	As at 31.03.2018
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2.1	59,278,460	59,278,460
(b) Reserves and Surplus	2.2	437,233,118	395,337,651
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	2.3	4,193,811	7,891,316
(b) Other long term liabilities	2.4	-	918,875
(c) Long term provisions	2.5	-	32,642
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	2.6	3,697,505	3,259,940
(b) Trade payables -	2.7		
i) Due to micro and small enterprises		-	-
ii) Due to other than micro and small enterprises		2,646,993	1,741,392
(c) Other current liabilities	2.8	2,295,714	3,582,042
(d) Short-term provisions	2.9	3,655,180	3,575,603
<b>Total</b>		<b>513,000,781</b>	<b>475,617,921</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plants & Equipment	2.10		
(i) Tangible Assets		131,458,424	129,286,557
(ii) Intangible Assets		75,042	91,100
(b) Non-current investments	2.11	342,865,986	291,309,357
(c) Deferred tax Assets (Net)	2.26	4,212,990	1,518,497
(d) Long Term Loans and Advances	2.12	9,242,333	14,928,945
<b>(2) Current assets</b>			
(a) Trade Receivables	2.13	3,995,736	7,086,869
(b) Cash and bank balances	2.14	13,737,800	14,672,283
(c) Short-term loans and advances	2.15	2,227,621	15,095,531
(d) Other Current Assets	2.16	5,184,849	1,628,782
<b>Total</b>		<b>513,000,781</b>	<b>475,617,921</b>

Significant Accounting Policy &amp; Notes to Accounts are integral part of these financial statements 1 &amp; Till 2.36

## FOR AND ON BEHALF OF THE BOARD

"AS PER OUR REPORT ATTACHED OF EVEN DATE"

For M/s WALECHA INDER &amp; ASSOCIATES

Chartered Accountants

Firm's Registration Number : 014205N

(RAKESH K. JAIN)  
Director  
DIN : 00050524

(GAURI SHANKER PANDEY)  
Whole Time Director  
DIN : 00050614

(Walecha Inder Jeet)  
Partner  
M.No: 093694

(CS RICHA ARORA)  
Company Secretary &  
Whole Time Director  
M.No. : 42906

(CA MAYANK AGARWAL)  
Chief Financial Officer  
M.No. : 544992

Place : Noida  
Date : 24/05/2019

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Amount in Rs.)			
Particulars	Note No	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
<b>I. Revenue:</b>			
a) Revenue from operations	2.17	56,730,214	35,109,922
b) Other Income	2.18	2,994,373	94,497,352
<b>Total Revenue</b>		<b>59,724,587</b>	<b>129,607,274</b>
<b>II. Expenses:</b>			
a). Employee benefit expense	2.19	5,754,297	4,498,000
b). Finance costs	2.20	1,355,825	1,133,784
c). Administrative & Other Expenses	2.21	6,928,867	5,690,074
d). Depreciation and Amortization expense	2.10	3,554,029	2,092,723
e). Corporate Social Responsibility (CSR)		1,395,000	-
<b>Total Expenses</b>		<b>18,988,018</b>	<b>13,414,581</b>
<b>III. Profit before exceptional &amp; extraordinary items and tax</b>	<b>(I - II)</b>	<b>40,736,569</b>	<b>116,192,693</b>
<b>IV. Extraordinary items (Refer Note 2.33 )</b>		19,865,392	-
<b>V. Profit before tax</b>	<b>(III+IV)</b>	<b>60,601,961</b>	<b>116,192,693</b>
<b>IV. Tax expense</b>			
(1) Current tax	17,831,052	23,102,965	
(2) Mat Credit	-	(6,509,858)	
(3) Deferred tax		17,831,052 (2,694,491)	16,593,107 (40,995)
<b>V. Profit/(Loss) for the period</b>		<b>45,465,400</b>	<b>99,640,581</b>
<b>VI. Earning per equity share: (Refer note 2.28)</b>			
Basic		3.83	7.06
Diluted		3.83	7.06

Significant Accounting Policy & Notes  
to Accounts are integral part  
of these financial statements

1 & Till 2.36

FOR AND ON BEHALF OF THE BOARD

"AS PER OUR REPORT ATTACHED OF EVEN DATE"

For M/s WALECHA INDER & ASSOCIATES  
Chartered Accountants  
Firm's Registration Number : 014205N

(RAKESH K. JAIN)  
Director  
DIN : 00050524

(GAURI SHANKER PANDEY)  
Whole Time Director  
DIN : 00050614

(Walecha Inder Jeet)  
Partner  
M.No: 093694

(CS RICHA ARORA)  
Company Secretary &  
Whole Time Director  
M.No. : 42906

(CA MAYANK AGARWAL)  
Chief Financial Officer  
M.No. : 544992

Place : Noida  
Date : 24/05/2019

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

Particulars	For the year ended 31.03.2019	Amount in Rs. For the year ended 31.03.2018
<b>A. Cash Flow from Operating Activities</b>		
Net Profit Before Taxation	60,601,961	116,192,693
<b>Adjustments for Profit &amp; Loss Account</b>		
Depreciation	3,554,029	2,092,723
Dividend Income	(4,162,893)	(8,023,312)
Profit on Sale of Investments (Net)	1,222,891	(86,065,165)
Rental Income	-	(116,600)
Sundry balances written off	-	-
Loss / (Gain) on Sale of Fixed Assets	(19,865,392)	-
Operating Profit before working capital Changes	41,350,596	24,080,339
<b>Adjustments for Working Capital</b>		
Increase / (Decrease) in Trade Payables	905,601	709,001
Increase / (Decrease) in Short Term Borrowings	437,565	385,782
Increase/ (Decrease) in Other current liabilities	(1,286,328)	1,922,941
Increase/ (Decrease) in Short term provisions	(2,594)	1,129
(Increase)/ Decrease in Trade Receivables	3,091,133	(7,086,869)
(Increase)/ Decrease in Short term loans & advances	12,867,910	(6,199,781)
(Increase)/ Decrease in Other current assets	(3,585,635)	547,928
<b>Cash Generated from Operations</b>	12,427,652	(9,719,869)
Advance Tax/ TDS Paid	(12,237,153)	(23,994,042)
<b>Net Cash From Operating Activities</b>	41,541,095	(9,633,571)
<b>B. Cash Flow from Investing Activities</b>		
(Purchase) / Sale of Fixed Assets (Net)	(5,709,836)	(34,626,634)
Profit on Sale of Fixed Assets (Net)	19,865,392	
(Purchase) / Sale of Investments (Net)	(51,556,629)	36,532,859
Profit on Sale of Investment (Net)	(1,222,891)	86,065,165
Long Term Loans and Advances	174,884	(243,914)
Long term Borrowings	(3,697,505)	(3,259,936)
Rental Income	-	116,600
Increase/ (Decrease) in Other long term liabilities	(918,875)	(416,545)
Dividend Income	4,162,893	8,023,312
<b>Net Cash Used in Investing Activities</b>	(38,902,568)	92,190,907
<b>C. Cash Flow from Financing Activities</b>		
Dividends paid (including unclaimed)	(2,959,049)	(3,593,345)
Dividend Distribution Tax	(609,086)	(751,901)
Buy Back of Equity Share Capital	-	(78,048,266)
<b>Net Cash Used in Financing Activities</b>	(3,568,135)	(82,393,512)
<b>Net Increase/(Decrease) (In cash and cash equivalents)</b>	(929,608)	163,823
Cash and cash Equivalents at the beginning of the Year	965,435	801,612
<b>Cash and cash Equivalents at the end of the Year</b>	35,827	965,435
Earmarked Balance with Bank	1,201,974	1,206,848
Short Term Bank Deposits	12,500,000	12,500,000
<b>Cash and Bank Balances at the end of year</b>	13,737,800	14,672,283

Significant Accounting Policy &amp; Notes to Accounts are integral part of these financial statements

1 &amp; Till 2.36

**FOR AND ON BEHALF OF THE BOARD**
**"AS PER OUR REPORT ATTACHED OF EVEN DATE"**

For M/s WALECHA INDER &amp; ASSOCIATES

Chartered Accountants

Firm's Registration Number : 014205N

**(RAKESH K. JAIN)**  
Director  
DIN : 00050524

**(GAURI SHANKER PANDEY)**  
Whole Time Director  
DIN : 00050614

**(Walecha Inder Jeet)**  
Partner  
M.No: 093694

**(CS RICHA ARORA)**  
Company secretary &  
Whole Time Director  
M.No. : 42906

**(CA MAYANK AGARWAL)**  
Chief Financial Officer  
M.No. : 544992

Place : Noida  
Date : 24/05/2019

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2019****1.ACCOUNTING POLICIES****a. Brief history and method of Accounting**

The company is a public limited company listed on Bombay Stock Exchange, registered under the Companies Act, 2013. The company is registered as a Non - Deposit taking Non-Systematically Important Non-Banking Financial Company (NBFC).

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting and accounting principles generally accepted in India and comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 to the extent applicable and practices generally prevalent in India.

**b. Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles ('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.

**c. Valuation of stock of securities**

Stock of securities is valued at lower of cost and market price.

**d. Revenue Recognition**

Gain or loss from investment in securities reflects the net gain/loss on redemption and investments in securities.

Brokerage, interest and commission income is being recorded on accrual basis.

Dividend income is being recorded when the company's right to receive the payment is established.

**e. Expenses**

Expenses are accounted on accrual basis and provisioning is made for all known liabilities.

**f. Property, Plant and Equipment**

(i) Property, Plant and equipment (PPE) are stated at cost including expenses incurred up to the date of their installation/commissioning as reduced by accumulated depreciation/ impairment provided in the accounts. The useful life of assets is taken as prescribed in Schedule II to the Companies Act, 2013. The company has adopted Straight Line Method for charging Depreciation.

(ii) Capital work-in-progress is stated at cost.

(iii) Software is classified as intangible assets at their cost and amortized over a period of 7 Year.

**g. Foreign currency Transactions**

a) Initial recognition:



Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**b) Conversion:**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

**c) Exchange differences:**

Exchange differences arising on the settlement of monetary items are recognized as income or expenses in the year in which they arise.

Exchange differences arising on a monetary item that, in substance, forms part of the company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net-investment, at which time they are recognized as income or as expenses.

**h. Government Grants**

Government grants are recognized when there is reasonable assurance that the company will comply with the conditions attached to them and grants will be received.

Government grants whose primary condition is that the company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognized as income over the life of a depreciable asset by way of a reduced depreciation charge.

Other government grants are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic and rational basis.

**i. Valuation of the Investments**

As per Accounting standard 13 (AS-13 revised), investments are classified as 'Current Investments' & 'Long term Investments' depending upon the intention to hold the same at the time of making 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 recognizing the decline in value for each investment.

**j. 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 expenses are recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of gratuity are charged to profit and loss account.

**k. Borrowing Cost**

Borrowing cost includes interest. Such costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are

expensed in the period they occur.

**l. Segment Reporting**

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

**m. Leases**

Where the Company, as a lessor, leases assets under finance lease, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment. Assets taken on lease by the company in its capacity as lessee, where the company has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating lease. Lease rentals under operating lease are recognised in the statement of profit and loss on a straight-line basis.

**n. Earning Per Share**

Basic earnings per equity share are being computed by dividing net profit after tax by the weighted average number of shares outstanding during the year as prescribed in Accounting Standard 20 prescribed in the Companies (Accounting Standard) Rules, 2016 issued by the Central Government in consultation with the National Advisory Committee on Accounting Standard.

**o. Taxes on Income**

Tax expenses comprise current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred Income Tax reflects the impact of current year timing difference between the taxable income and the accounting income for the year and reversal of timing difference of earlier years.

Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to taxes levied by the same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situation where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance sheet date, the company re-assesses unrecognized deferred tax assets and recognizes deferred tax asset to the extent that it has become reasonably

certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**p. Intangible assets:**

Cost incurred on intangible assets, resulting in future economic benefits are capitalized as intangible assets and amortized on a straight-line method beginning from the date of capitalization over a period of 7 years.

**q. Impairment of Fixed Asset**

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.

**r. Provisions, Contingent Liabilities and Contingent Assets**

As per Accounting Standard 29 (AS-29 Revised), a provision is recognized when there is a present obligation as a result of amount of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

No provision is recognized or disclosure for contingent liability is made as there is no possible obligation or a present obligation and the likelihood of outflow of resources is remote. Contingent Assets is neither recognized nor disclosed in the financial statements.

**2. NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019**

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

**2.1. SHARE CAPITAL**

Particulars	As at 31.03.2019		(Amount in Rs.)	
	Nos.	Amount	Nos.	As at 31.03.2018 Amount
<b>AUTHORISED</b>				
Equity Shares of the FV of Rs.5/- each ( Previous Year Rs. 10/-)	20,000,000	100,000,000	10,000,000	100,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID-UP</b>				
Equity shares of Rs.5/- each fully paid up ( Previous Year Rs. 10/-)	11,855,692	59,278,460	5,927,846	59,278,460
<b>Total</b>	<b>11,855,692</b>	<b>59,278,460</b>	<b>5,927,846</b>	<b>59,278,460</b>

In the event of liquidation of the company, the Equity shareholders 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, 2019 and March 31, 2018 is set out below -

Particulars	As at 31.03.2019		(Amount in Rs.)	
	Nos.	Amount	Nos.	As at 31.03.2018 Amount
No. of share at the beginning @ FV - Rs 10	5,927,846	59,278,460	7,186,689	71,866,890
Less - Shares buyback during the year of FV of Rs 10/- each	-	-	1,258,843	12,588,430
Add - Adjusted no. of Shares on account of Sub Division of equity share (Refer Note given below)	5,927,846	-	-	-
Total no. of shares at the end @ FV Rs 10	-	-	5,927,846	59,278,460
<b>Total no. of shares at the end @ FV RS 5</b>	<b>11,855,692</b>	<b>59,278,460</b>	<b>-</b>	<b>-</b>

Note 1): During the FY 2018-19, equity shares of FV Rs. 10/- each were splitted into two shares of Rs. 5/- each.

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

Particulars	As at 31.03.2019		As at 31.03.2018	
	Nos.	%	Nos.	%
Mr Rakesh K Jain	4,991,820	42.10	2,495,910	42.10
Ms. Purna Jain	2,777,008	23.42	1,388,504	23.42
Hope Consultants Limited	820,886	6.93	410,043	6.92
<b>Total</b>	<b>8,589,714</b>	<b>72.45</b>	<b>4,294,457</b>	<b>72.44</b>

**Proposed Dividend**

Particulars	As at 31.03.2019	As at 31.03.2018
Dividend per Share on shares of Rs. 5/- each	0.25	0.50
Dividend Proposed %	5%	5%

The company has only one class of shares referred to as equity shares having a par value of Rs.5/-, ( Previous Year 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.

**2.2 RESERVES AND SURPLUS**

		As at 31.03.2019	As at 31.03.2018
<b>A) General Reserves</b>			
Opening Balance		5,047,852	5,047,852
(+) Current year transfer		-	-
<b>Closing Balance</b>		<b>5,047,852</b>	<b>5,047,852</b>
<b>B) Security Premium Account</b>			
Opening Balance		-	23,754,125
(+) Current year transfer		-	-

(-) Deduction for current year (used for buy back of shares)	-	(23,754,125)
<b>Closing Balance</b>	-	-
<b>C) RBI Reserve Fund</b>		
Opening Balance	116,319,646	96,391,529
(+) Current year transfer	9,093,080	19,928,116
<b>Closing Balance</b>	<b>125,412,726</b>	<b>116,319,645</b>
<b>D) Capital Redemption Reserve</b>		
Opening Balance	35,771,040	23,182,610
(+) Current year transfer	-	12,588,430
<b>Closing Balance</b>	<b>35,771,040</b>	<b>35,771,040</b>
<b>D) Surplus</b>		
Opening Balance	238,199,114	216,368,768
(+) Net Profit/ (Net Loss) for the current year	45,465,400	99,640,581
(-) Buy Back of Shares	-	(54,294,141)
(-) Proposed Dividend	(2,963,923)	(2,963,923)
(-) Proposed Dividend Tax	(609,086)	(609,086)
(-) Transfer to RBI Reserves	(9,093,080)	(19,928,116)
(+/-) Contingency Provision against Standard Assets	32,642	(14,969)
(+) Excess/(short) provision made in the previous year	(29,567)	-
<b>Closing Balance</b>	<b>271,001,500</b>	<b>238,199,114</b>
<b>Grand Total</b>	<b>437,233,118</b>	<b>395,337,651</b>

The Board of Directors at its meeting held on 24/05/2019 has recommended a final dividend of 5% (Rs. 0.25 per equity share of Rs.5/- each) for the F.Y. 2018-19 subject to the approval of shareholders.

### 2.3 LONG TERM BORROWING

	(Amount in Rs.)	
Particulars	As at 31.03.2019	As at 31.03.2018
Payable to Greater Noida Authority for Land	4,193,811	7,891,316
	4,193,811	7,891,316

### 2.4 OTHER LONG TERM LIABILITIES

	(Amount in Rs.)	
Particulars	As at 31.03.2019	As at 31.03.2018
Security Deposit from Contractor	-	918,875
	-	918,875

### 2.5 LONG TERM PROVISIONS

	(Amount in Rs.)	
Particulars	As at 31.03.2019	As at 31.03.2018
Contingent provision against standard asset	-	32,642
<b>Total</b>	<b>-</b>	<b>32,642</b>

### 2.6 SHORT TERM BORROWING

	(Amount in Rs.)	
Particulars	As at 31.03.2019	As at 31.03.2018
Payable to Greater Noida Authority for Land	3,697,505	3,259,940
	3,697,505	3,259,940

### 2.7 TRADE PAYABLE

	(Amount in Rs.)	
Particulars	As at 31.03.2019	As at 31.03.2018
Sundry Creditors	2,646,994	1,741,392
	2,646,994	1,741,392

### 2.8 OTHER CURRENT LIABILITIES

	(Amount in Rs.)	
Particulars	As at 31.03.2019	As at 31.03.2018
Expenses Payable	418,753	486,599
I.G.S.T Payable	539,480	1,787,830

P.F. Payable	20,518	23,648
TDS payable	114,990	77,117
Unclaimed Dividend	1,201,974	1,206,848
	<b>2,295,714</b>	<b>3,582,042</b>

During the year ended 31/03/2019, Unpaid dividend of Rs 1,60,225.25 for the year 2010-11 has been transferred to the Investor Education and Protection Fund under section 124 of the Companies Act, 2013.

## 2.9 SHORT TERM PROVISIONS

Particulars	(Amount in Rs.)	
	As at 31.03.2019	As at 31.03.2018
Gratuity Payable	-	2,594
Proposed Dividend	2,963,923	2,963,923
Corporate Dividend tax	609,086	609,086
Provision for taxation	82,171	-
	<b>3,655,180</b>	<b>3,575,603</b>



## 2.10 PROPERTY, PLANT &amp; EQUIPMENT

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 01.04.2018	Addition during the year	Deduction during the year	As at 01.04.2018	Provided during the year	Adjusted during year	As at 31.03.2019	As at 31.03.2019	As at 01.04.2018
(i) Tangible Assets									
Leaschold Land	52,803,946	-	-	52,803,946	-	-	-	52,803,946	52,803,946
Building at Tech zone IV , Greater Noida	69,368,690	3,568,031	3,461,463	69,475,258	1,385,290	2,153,847	(13,027)	65,949,149	67,983,400
Building at B169, Masjid Moth, New Delhi	4,319,000	-	4,319,000	-	1,521,879	162,513	(1,684,392)	-	2,797,121
Vehicle	4,070,887	-	-	4,070,887	292,700	482,093	-	774,793	3,296,094
Office Equipments	162,150	508,012	-	670,162	134,217	68,152	-	202,369	467,793
Co work Office Equipment	-	501,283	-	501,283	-	24,751	-	24,751	476,532
Lift	-	2,665,393	-	2,665,393	-	177,624	-	177,624	2,487,769
Fire Fighting Equipments	-	1,177,014	-	1,177,014	-	66,416	13,027	79,443	1,097,571
Computer Equipments	245,268	24,250	-	269,518	114,128	52,572	-	166,700	102,818
Furniture & Fixture	238,610	25,200	-	263,810	170,139	19,701	-	189,840	73,970
Co work furniture	-	913,609	-	913,609	-	35,655	-	35,655	877,954
Electrical Equipments	1,789,245	2,200,868	-	3,990,113	92,885	289,256	-	382,141	3,607,972
Co work electrical	-	222,249	-	222,249	-	5,392	-	5,392	216,856
(ii) Intangible Assets									
Software	536,534	-	-	536,534	445,434	16,058	-	461,492	75,042
Total	133,534,330	11,805,909	7,780,463	137,559,776	4,156,672	3,554,029	(1,684,392)	6,026,310	131,533,465
Previous Year	98,907,694	105,784,569	71,157,934	133,534,330	2,063,951	2,092,723	-	4,156,673	129,377,657
									96,843,743

"a) The company was allotted leasehold land of 2500 sq. mtr. at Tech Zone IV Greater Noida on 12/01/2011 by Greater Noida Authority for 90 years. The lease rent was paid by the company in one installment and was accordingly capitalised to the cost of the land. The company completed the construction of the building on 15.06.2017 & duly applied for completion certificate on 16.06.2017 which was granted by the Greater Noida Authority on 20/03/2018, and accordingly all the expenses incurred till 15.06.2017 were capitalised under their normal heads of accounts. The company has also applied for functional certificate on 22/05/2018 and was given the same vide letter dated 08/04/19 issued by Greater Noida Authority."

"b) All Expenses incurred after 15.06.2017 are charged to Statement of Profit & Loss until unless they meet the recognition criteria of cost of improvement as specified in Accounting Standard - 10 issued by the Institute Of Chartered Accountants Of India."

c) The company had started its co - work business from 01/03/2019 from the building at Tech Zone IV Greater Noida - UP.

## 2.11 NON CURRENT INVESTMENTS

(Amount in Rs.)					
Scrip Name	Face Value	As at 31.03.2019		As at 31.03.2018	
		Nos. of Shares/Units	Value	Nos. of Shares/Units	Value
<b>(I) Unquoted Investments</b>					
1. Jord Engineering (I) Ltd.	10	100	-	100	-
2. Ballmer lawerie cont. ltd	10	200	210	200	210
<b>Total (A)</b>		<b>300</b>	<b>210</b>	<b>300</b>	<b>210</b>
<b>(ii) Quoted (Non Trade Investments)</b>					
1. Aditya Birla Capital Ltd.	10	63,400	9,999,592	115,400	19,586,343
2. Amara Raja Batteries Ltd.	1	-	-	500	352,873
3. Ashok Leyland Ltd.	1	90,000	10,134,113	28,000	3,283,687
4. Bank Of Baroda	2	80,500	11,646,274	70,000	10,607,570
5. BSE Ltd.	2	5,000	3,079,893	100	98,357
6. Bharat Forge Ltd	2	6,000	3,341,246	-	-
7. Central Depository Services (India) Ltd	10	24,000	6,459,616	12,500	4,104,406
8. Container Corporation Ltd.	10	24,688	13,745,222	11,000	15,397,807
9. Delta Corp Ltd.	1	-	-	4,500	1,107,172
10. ESSL Propack Ltd.	2	40,466	5,126,391	25,067	6,532,039
11. Ester Industries Ltd.	5	33,500	1,877,762	32,500	2,070,183
12. Finolex Industries Ltd.	10	2,632	1,614,180	6,200	3,848,461
13. Finolex Cables Ltd.	2	10,500	5,457,166	-	-
15. Force Motors Ltd.	10	-	-	750	2,384,881
16. Gateway Distriparks Ltd	10	-	-	6,000	1,415,763
17. Godrej Consumer Products Ltd	1	7,500	5,653,989	-	-
18. Godrej Agrovet Ltd.	10	-	-	2,500	1,464,112
19. HDFC Standard Life Insurance Company Ltd	10	1,000	370,123	-	-
20. HDFC Bank Ltd	2	-	-	3,000	4,891,289
21. IDFC Bank Ltd.	10	261,100	9,676,209	203,500	11,899,654
22. Indiabulls Housing Finance Ltd	2	5,000	4,262,347	-	-
23. Infosys Limited	5	1,750	1,189,214	-	-
24. Jaiprakash Power Ventures Ltd	10	562,586	1,637,379	-	-
25. J.K. Cement Ltd.	10	8,100	6,969,443	-	-
26. Jyothy Laboratories Ltd.	1	-	-	21,500	7,647,778
27. Udaipur Cement Works Ltd.	4	10,100	9,595	10,100	9,599
28. JK Lakshmi Cement Ltd.	5	8,388	2,746,166	-	-
29. La Opala Rg Ltd	2	4,823	1,278,827	16,623	4,632,132
30. Larsen Turbo Ltd	2	1,000	1,272,206	6,500	7,393,738
31. Lumax Automotive Systems Ltd	10	50	-	-	-
31. Maruti Suzuki India Ltd	5	1,100	8,810,392	-	-
32. Motherson Sumi Systems Ltd	1	21,750	4,543,670	-	-
33. Mideast Integrated Steels Ltd.	10	-	-	15,000	762,981
34. Muthoot Finance Ltd	10	-	-	22,500	9,466,468
35. National Aluminium Company Ltd.	5	32,724	2,181,528	-	-
36. National Buildings Const. Corp. Ltd.	1	86,500	5,815,730	5,000	1,259,121
37. Network 18 Media & Investments Ltd	5	30,000	1,359,041	-	-
38. ONGC Ltd	5	-	-	30,000	5,051,125
39. Orient Refractories Ltd.	1	-	-	2,500	399,261
40. Power Grid Corporation Of India Ltd	10	36,750	7,315,348	51,000	10,111,348
41. Polyplex Corporation Ltd.	10	-	-	4,000	1,984,213
42. Punjab National bank	2	30,000	2,143,600	-	-
43. Reliance Capital Ltd.	10	60	-	60	-
44. Reliance Communicaion Ltd	5	64,963	1,068,360	13,463	1,228,100
45. Reliance Home Finance Ltd.	10	60	-	60	-
46. Reliance Industries	10	2,500	3,174,044	-	-
47. Reliance Nippon Life Asset Management Ltd.	10	20,500	5,427,881	33,000	8,686,388
48. Reliance Power Ltd.	10	300	-	300	-
49. Shree Cement Ltd.	10	150	2,506,210	450	7,546,914
50.State Bank of India	1	14,000	3,978,801	-	-
51.Steel Authority of India Ltd.	10	-	-	8,000	673,872
52.Suprajit Engineering Ltd.	1	-	-	5,000	1,049,080

53. Sequent Scientific Ltd.	2	-	-	15,000	1,609,222
54 Tata Chemicals Ltd.	10	3,000	1,801,084	-	-
55 Tata Motors Ltd	2	13,500	2,753,845	-	-
56 Tata Steel Ltd - Partially paid	10	12,000	1,168,309	-	-
57. Tube Investments of India Ltd.	1	-	-	20,900	5,211,219
58. TV18 Broadcast Ltd	2	120,000	4,249,359	-	-
59. TVS Srichakara Ltd.	10	-	-	100	322,715
60. Ultratech Cement Ltd.	10	1,050	4,032,779	650	2,709,079
61. Unitech Ltd	2	200,000	551,050	-	-
62. VIP Industries Ltd	2	-	-	5,000	609,010
63. Wonderla Holidays Ltd	10	-	-	11,250	4,347,274
64. Zee Entertainment Enter. Ltd	1	9,200	4,699,214	14,000	7,245,494
<b>TOTAL (B)</b>		<b>1,952,190</b>	<b>175,127,201</b>	<b>833,473</b>	<b>179,000,728</b>

(Amount in Rs.)

Scheme Name	As At Nos. of Shares/Units	31.03.2019 Value	As At Nos. of Shares/Units	31.03.2018 Value
<b>MUTUAL FUND</b>				
<b>LIQUID/DEBT-GROWTH</b>				
1. Birla Sunlife Govt. Securities Fund - Growth	86,301	4,558,299	-	-
2. Birla Sun Life Floating Rate - Short Term - Growth	-	-	22,578	5,200,000
3. Birla Sun Life Liquid Fund - Growth	38,705	11,550,000	-	-
4. Axis Gilt Fund - Direct Plan - Growth Option	136,459	2,150,000	-	-
5. Axis Liquid Fund - Direct Plan - Growth Option	6,126	12,310,000	-	-
6. DSP BlackRock Liquidity Fund - Direct Plan - Growth	981	2,597,210	201	496,242
7. DSP BlackRock Govt Securities Fund - Direct Plan - Growth	49,963	3,000,000	-	-
8. Franklin India Govt. Securities Fund- Direct	24,182	1,000,000	-	-
9. Franklin India Liquid Fund - Super Institutional	315	864,333	-	-
10. HDFC Gilt Fund - Growth Option- Direct Plan	95,955	3,625,000	-	-
11. HDFC CM Savings -Direct Plan - Growth Option	-	-	1,773	6,326,948
12. HDFC Liquid Fund -Direct Plan - Growth Option	2,365	8,388,452	2,348	7,920,023
13. ICICI Prudential Liquid Fund - Regular Plan - Growth	46,208	12,715,000	4,885	1,029,660
14. ICICI Prudential Gilt Fund - Direct Plan - Growth	45,975	3,000,000	-	-
15. Reliance Money manager Fund - Inst Option - Growth Plan	-	501	-	501
16. Reliance Liquid Fund - Direct Plan - Growth plan	2,181	9,625,000	-	-
17. Reliance Liquidity Fund - Direct Plan Growth Option - Growth	-	-	2,270	5,900,000
18. SBI Liquid Fund - Direct Plan - Growth	2,862	8,350,000	-	-
19. SBI Magnum Gilt Fund - Long Term - Direct	198,943	8,000,000	-	-
20. Templeton India Treasury Management Account - Direct - Growth	-	-	3,204	8,250,000
21. Uti-Floating Rate Fund - Short Term Plan ( Growth Option )	4,635	14,050,000	956	2,707,667
22. UTI Treasury Advantage Fund Institutional Plan - Growth	-	-	1,765	3,960,002
23. Uti- Gilt Fund - Direct Plan - ( Growth Option )	33,718	1,350,000	-	-
<b>MUTUAL FUND-EQUITY</b>				
1. Axis blue chip Fund - Direct Plan - Growth	271,901	8,300,000	-	-
2. Birla Sun Life Advantage Fund-Plan A (Dividend)	-	-	36,633.28	3,873,575.17
3. Birla Sun Life Banking and Financial Services Fund - Regular Plan - Dividend	11,337	201,068	102,946.64	1,789,376.44
4. Birla Sun Life Pure Value Fund- Dividend	86,420	2,674,707	86,420	2,674,707
5. DSP BlackRock Opportunities Fund - Direct Plan - Dividend	18,163	1,000,000	18,163	1,000,000
6. DSP BlackRock Opportunities Fund - Direct Plan - Growth	4,552	1,000,000	4,552	1,000,000
7. DSP Blackrock Opportunities Fund - Regular	144,022	3,979,541	129,521	3,635,017
8. Franklin India High Growth Companies Fund	-	-	106,155	2,502,054
9. Franklin India Prima Plus-Dividend	-	-	10,834	399,159
10. Franklin India Smaller Companies Fund-Dividend	1	9	1	9
11. HDFC Mid-Cap Opportunities Fund - Dividend	87,677	2,758,780	112,671	3,558,968
12. HDFC Capital Builder Fund -Direct Plan - Dividend Option	197,313	6,547,928	178,114	6,058,116
13. HDFC Capital Builder Fund -Direct Plan - Growth Option	4,812	1,500,000	4,812	1,500,000
14. HSBC India Opportunities Fund - Dividend	-	-	137,249	3,484,183
15. HSBC Midcap Equity Fund - Dividend	-	-	205,401	4,500,000
16. Kotak Opportunities - Dividend	22,229	601,190	20,022	547,654

17. Kotak Standard Multicap Fund - Dividend	147,049	3,379,171	138,730	3,194,924
18. Kotak Standard Multicap Fund - Dividend - Direct	165,871	4,158,597	157,064	3,950,000
19. Kotak Standard Multicap Fund - Growth- Direct	29,191	1,000,000	29,191	1,000,000
20. MOST Focused 25 Fund- Regular Plan Dividend	121,240	2,010,312	266,301	4,528,180
21. MOST Focused Multicap 35- Direct Plan-Dividend Option	201,413	5,489,391	194,284	5,317,371
22. MOST Focused Multicap 35-Direct Plan-Growth Option	96,854	2,600,000	96,854	2,600,000
23. UTI Mid Cap Fund - Income Plan	13,730	750,033	13,730	750,033
<b>Total (C)</b>	<b>2,399,646</b>	<b>155,084,525</b>	<b>2,089,629</b>	<b>99,654,369</b>
<b>Bonds</b>				
01. 01006 GOI 2021	50,000	5,910,720	50,000	5,910,720
02. 6.9% GOI 2019 ( Central Govt. Loan 09009)	5,000	498,529	5,000	498,529
03. Central govt.Loan 07003 GOI	62,000	6,244,801	62,000	6,244,801
04. National Thermal Power Corporation - NCD	23,500	-	23,500	-
<b>Total (D)</b>	<b>140,500</b>	<b>12,654,050</b>	<b>140,500</b>	<b>12,654,050</b>
<b>Total (A+B+C+D)</b>		<b>342,865,986</b>		<b>291,309,357</b>

Investment of shares has been taken as long term investments as the intention of management at the time of purchase is to hold them for 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. 210/- (Previous year Rs 210/-)
- Aggregate cost of quoted investment is Rs. 17,51,27,201/- (Previous year Rs 17,90,00,728/-)
- Aggregate cost of mutual fund is Rs. 15,50,84,526/- (Previous year Rs. 9,96,54,369/-)
- Market value of quoted Investment is Rs. 16,33,12,199/- (Previous year Rs. 17,20,86,840/-)
- Market value of Mutual Fund is Rs. 15,45,54,937/- (Previous Year Rs. 9,82,81,116/-)
- No provision has been made for reduction, if any, in market value of the securities as the same is temporary in nature, in the opinion of management.

## 2.12 LONG TERM LOANS AND ADVANCES

	(Amount in Rs.)	
Particulars	As at 31.03.2019	As at 31.03.2018
(Unsecured & considered good) :-		
-MAT Credit		
Opening	14,685,030	8,175,172
(+) Availed	-	6,509,858
(-) Utilised	(5,511,728)	-
Closing		14,685,030
-Gratuity Trust		243,915
	<b>9,242,333</b>	<b>14,928,945</b>

## 2.13 Trade Receivables

	(Amount in Rs.)	
Particulars	As at 31.03.2019	As at 31.03.2018
" Trade Receivables : (Unsecured & considered good)-for a period less than 6 month "	3,995,736	7,086,869
-for a period more than 6 month	-	-
	<b>3,995,736</b>	<b>7,086,869</b>

## 2.14 CASH AND BANK BALANCES

	(Amount in Rs.)	
Particulars	As at 31.03.2019	As at 31.03.2018
a. Cash and cash equivalents		
i. Balances with banks		
In Current Account	30,811	957,375
ii. Cash on hand	5,015	8,060

iii. Other Bank balances		
a. In Unpaid Dividend Account	1,201,974	1,206,848
b. Short Term Bank deposits (Less than 12 months)		
- under lien with bank for overdraft limit	12,500,000	12,500,000
	<b>13,737,800</b>	<b>14,672,283</b>

## 2.15 SHORT TERM LOAN & ADVANCES

Particulars	As at 31.03.2019	As at 31.03.2018
Loan & Advances Recoverable in Cash or in Kind or for value to be received and unsecured, considered as good:		
Loan - Intercompany		13,056,824
Supplier advance	2,227,621	2,017,180
Staff advances	-	21,527
	<b>2,227,621</b>	<b>15,095,531</b>

## 2.16 OTHER CURRENT ASSETS

Particulars	(Amount in Rs.)	
	As at 31.03.2019	As at 31.03.2018
Prepaid Expenses	27,212	56,661
Security Deposits	33,600	33,600
Interest Accrued But Not received	368,469	401,650
Advance Tax/TDS (Net of provision)	1,107,303	1,136,871
Input tax Credit GST	129,650	-
Amount receivable from Broker	3,518,614	-
	<b>5,184,849</b>	<b>1,628,782</b>

## 2.17 REVENUE FROM OPERATIONS

Particulars	(Amount in Rs.)	
	"For the year ended 31.03.2019"	"For the year ended 31.03.2018"
Commission & Brokerage (Net)	50,505,541	30,952,500
Income from consultancy	3,523,800	-
Interest		
- Tax Free Interest on bonds	24,528	24,528
- Bonds	1,055,401	1,056,086
- On Loans (ICD)	631,103	2,035,519
- On Bank Deposits	875,650	906,289
Referral Fees	104,190	4,022,422
Rental income	10,000	135,000
	<b>56,730,214</b>	<b>35,109,922</b>

## 2.18 OTHER INCOME

Particulars	(Amount in Rs.)	
	"For the year ended 31.03.2019"	"For the year ended 31.03.2018"
Capital Gain - Long Term		
- Shares/Mutual fund on which STT is paid	(6,316,775)	40,991,977
- Shares/Mutual fund on which STT is not paid	11,560	3,251,227
Capital Gain - Short Term		
- Shares/Mutual fund on which STT is paid	2,165,774	30,060,976
- Shares/Mutual fund on which STT is not paid	2,916,550	11,760,985
Dividend received	(1,222,891)	86,065,165
Rent Received	4,162,893	8,023,312
	-	116,600

Gratuity (Actuarial Gain)	-	243,915
Interest on Income Tax Refund	-	25,545
Miscellaneous Income	54,371	22,815
	<b>2,994,373</b>	<b>94,497,352</b>

**2.19 EMPLOYEES BENEFIT EXPENSES**

(Amount in Rs.)

Particulars	"For the year ended 31.03.2019"	"For the year ended 31.03.2018"
Salary, Wages & Other Benefits	5,199,715	4,214,817
Contribution to Provident Fund & Other Funds	150,063	143,938
Staff Welfare	223,373	136,651
Gratuity	181,146	2,594
	<b>5,754,297</b>	<b>4,498,000</b>

**2.20 FINANCE COSTS**

(Amount in Rs.)

Particulars	"For the year ended 31.03.2019"	"For the year ended 31.03.2018"
Bank charges	3,016	684
Interest paid on leasehold land installments	1,352,809	1,133,100
	<b>1,355,825</b>	<b>1,133,784</b>

**2.21 ADMINISTRATIVE & OTHER EXPENSES**

(Amount in Rs.)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Professional Charges	3,913,310	2,714,632
STT Charges	347,175	634,981
Listing fee	260,000	251,250
Rent paid	497,940	402,165
Travelling & Conveyance	44,741	39,432
AGM Expenses	180,200	174,390
Printing & Stationery	130,062	66,128
Repairs & Maintenance	397,320	398,626
Advertisement	62,730	244,034
<b>Payment to Auditors :</b>		
-Statutory Audit Fee	21,000	21,000
-Tax Audit Fee	<u>9,000</u>	<u>9,000</u>
Secretarial Audit Fee	10,000	10,000
Internal Audit fee	20,000	10,000
Office Maintenance Exp.	46,438	66,464
Postage & Telegram	5,223	31,282
Telephone & Internet Expenses	18,857	25,229
Electricity Expense	85,463	5,659
Software expense	500,000	-
Other Expenses	379,408	585,802
	<b>6,928,867 #</b>	<b>5,690,073</b>

# A sum of Rs. 4,06,403 is being incurred as expenditure for earning exempt income.

**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 (2016):



**(A) List of Related Parties****(i) Wholly Owned Subsidiary:**

Nil

**(ii) Fellow Subsidiary:**

Nil

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

Nil

**(iv) Individual having significant influence or control**

Mr Rakesh K Jain

Ms Perna Jain

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

Nil

**(vi) Key Management Personnel:**

Mr. Gauri Shanker Pandey (Whole Time Director)

Ms. Richa Arora (Company Secretary ) and Whole Time Director

Mr. Mayank Agarwal (Chief Financial Officer )

**(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. Frontline Capital Services Limited
2. FSL Software Technologies Limited
3. Hope Consultants Limited
4. Wonder Buildtech Private Limited
5. Petal Consultants Private Limited
6. FSL Consultants Private Limited
7. Jain Singhal & Associates LLP (Converted from Jain Singhal & Associates (Partnership firm) w.e.f 25.04.2017)
8. JSA Advisors LLP
9. Front Investments & Financial Consultants LLP
10. Petal Resorts Private Limited
11. Vardhman Electricals Private Limited
12. RP Jain Family Management Pvt Ltd

## (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)	
<b>1. Rent Received from Ms Aridhi Jain</b>				
- Current Year	-			-
- Previous Year	(116,000)			(116,000)
<b>2. Amount paid to key managerial personnel as remuneration, conveyance, etc.</b>				
- Current Year Mr G S Pandey	-	722,400	-	722,400
	-	(722,400)	-	(722,400)
- Current Year Ms. Richa Arora	-	572,038	-	572,038
	-	(417,437)	-	(417,437)
- Current Year Mr. Mayank Agarwal	-	562,013	-	562,013
	-	(181,547)	-	(181,547)
- Current Year Ms Swarna Gowri S	-	-	-	-
	-	(319,168)	-	(319,168)
<b>3. Rent paid</b>				
- Current Year	-	-	497,940	497,940
- Previous Year	-	-	(402,165)	(402,165)
<b>4. Brokerage paid to Frontline Capital Services Limited</b>				
- Current Year	-	-	1,234,225	1,234,225
- Previous Year	-	-	(2,204,937)	(2,204,937)
	-	1,856,451	1,732,165	3,588,616
	(116,000)	(1,640,552)	(2,607,102)	(4,363,654)

(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)	
<b>Balance outstanding as on 31.03.2019</b>				
<b>Remuneration Payable</b>				
- Current Year	-	154,279	-	154,279
- Previous Year	-	(127,013)	-	(127,013)
<b>Amount receivable from Broker ( Frontline Capital Services Ltd)</b>				
- Current Year	-	-	3,518,614	3,518,614
- Previous Year	-	-	-	-

## 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 Quantitative Detail of Purchases and Sales are not applicable.

**2.24 DUES TO MICRO SMALL AND MEDIUM ENTERPRISES**

The company had sent letters to its creditors regarding their status under the "Micro Small & Medium Enterprises Development Act 2006" but the company had not received any information from suppliers regarding their status under the "Micro Small & Medium Enterprises Development Act 2006" and accordingly no disclosure regarding overdue outstanding of principal amount & interest thereon has been given.

**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
<b>Actuarial assumptions</b>				
Discount Rate Per Annum	7.5%		8%	
Salary Escalation	7%		7%	
<b>Reconciliation of opening and closing balances of obligation</b>				
Obligation at beginning of the year		39,830		559,065
Current Service Cost		10,229		39,831
Interest Cost		3,186		6,685
Actuarial (gain) /loss		190,838		2,518
Less: Benefits paid		-		(568,269)
<b>Obligation at the end of the year</b>		<b>244,083</b>		<b>39,830</b>
<b>Reconciliation of opening and closing balances of fair value assets</b>				
Fair value of plan assets at beginning of the year		283,745		805,574
Employer contribution		6,261		-
Less: Benefits Paid		-		(568,269)
Add: Expected return on plan assets		23,107		46,440
<b>Fair value of plan assets at the end of the year</b>		<b>313,114</b>		<b>283,745</b>
<b>Amount Recognized in Balance Sheet</b>				
Present value of obligation		244,083		39,830
Fair value of plan assets		313,114		283,745
<b>Amount recognized in Balance Sheet</b>		<b>(69,031)</b>		<b>(243,915)</b>
<b>Gratuity cost for the period</b>				
Current Service Cost		10,229		39,831
Interest Cost		3,186		6,685
Expected return on plan assets		(23,107)		(46,440)
Actuarial (gain) /loss		190,838		2,518
<b>Net Gratuity cost</b>		<b>181,146</b>		<b>2,594</b>

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

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

Note:

1. The company has recognised the gratuity expenses of Rs. 1,81,146/- in FY 2018-19
2. The company has recognised the excess of fair value of plan assets over present value of obligation of Rs. 69,031 as an assets in FY 18-19.

**2.26 DEFERRED TAX BALANCES**

Particulars	For the year ended 31.03.2019	(Amount in Rs.) For the year ended 31.03.2018
<b>a. Deferred Tax Liabilities (Net)</b>		
(i) Depreciation	98,130	446,214
(ii) Others	-	-
	<b>98,130</b>	<b>446,214</b>

## b. Deferred Tax Assets (Net)

(i) Depreciation

(ii) Others (Capital loss)

4,311,120

1,964,711

4,311,120

1,964,711

## 2.27 SEGMENT REPORTING

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

	Service, Commission & Brokerage	Investment in Bonds/ FDR/Loans & Advances	Renting and Co - Work	Unallocated	Total
<b>Segment Revenue (A)</b>					
- Current Year	54,133,531	2,586,682	10,000	2,994,374	59,724,587
- Previous Year	(31,087,500)	(4,022,422)	-	(94,497,353)	(129,607,274)
<b>Segment expense (B)</b>					
- Current Year	8,462,489	4,756,599	1,414,183	800,718	15,433,989
- Previous Year	(5,190,089)	(5,070,314)	-	(1,061,455)	(11,321,858)
<b>Depreciation</b>					
- Current Year	319,288	319,288	2,752,941	162,513	3,554,030
- Previous Year	(781,710)	(781,710)	-	(529,302)	(2,092,723)
<b>Extra ordinary item</b>					
- Current Year	-	-	-	-	19,865,392
- Previous Year	-	-	-	-	-
<b>Segment Result (A) - (B)</b>					
- Current Year	45,351,754	(2,489,205)	(4,157,124)	2,031,143	40,736,569
- Previous Year	(25,115,701)	(1,829,602)	-	(92,906,596)	(116,192,693)
<b>Segment Assets (A)</b>					
- Current Year	5,869,375	27,404,099	130,162,727	349,564,580	513,000,781
- Previous Year	(36,442,098)	(67,911,092)	-	(371,264,731)	(470,617,921)
<b>Segment Liabilities (B)</b>					
- Current Year	2,261,602	1,476,913	7,891,316	4,859,373	16,489,204
- Previous Year	(8,965,351)	(7,256,602)	-	(4,779,856)	(21,001,809)
<b>Capital Employed (A-B)</b>					
- Current Year	3,607,773	25,927,186	122,271,411	344,705,207	496,511,577
- Previous Year	(27,476,746)	(60,654,490)	-	(366,484,874)	(454,616,111)
<b>Capital Expenditure</b>					
- Current Year	278,731	278,731	3,467,984	-	4,025,446
- Previous Year	(17,313,317)	(17,313,317)	-	-	(34,626,634)

## 2.28 EARNING PER SHARE

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

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
(i) Profit attributable to Equity Share Holders	45,465,400	99,640,581
No. of shares at the beginning of the year of FV Rs 10	-	7,186,689
Add - Adjusted no. of Shares on account of Sub Division of equity share ( Refer Note)	11,855,692	7,186,689
Less : Weighted avg no. of Shares buyback during the year after taking effect of split	-	(269,013)
No. of shares at the end of the year of FV RS 5	11,855,692	14,104,365
Earning per share- Basic and Diluted	3.83	7.06

Note : During the FY 2018-19, Face value of equity shares are splitted into two shares of Rs 5 each. Hence FY 2017-18 figures are adjusted to comparable to FY 2018-19

The number of shares used in computing Basic & Diluted EPS is the weighted average number of shares outstanding during the year.

## 2.29 Payment to Auditor

		(Amount in Rs.)
Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
A) Auditor		
(i) Statutory Audit Fees	21,000	21,000
(ii) Tax Audit Fees	9,000	9,000
	<b>30,000</b>	<b>30,000</b>

## 2.30 Capital & Other Commitments

Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances) Rs. NIL as on 31st March'2019 (Previous Year - Rs. 7.38 lakhs).

## 2.31 Foreign Exchange Earning and Expenditure

The company has not made any foreign exchange transaction during the year.

## 2.32 Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, the gross amount suggested to be spent by the Company during the year ended March 31, 2019 is Rs 13,69,087 (Previous year ended March 31, 2018 Rs NIL). The Company has spent Rs 13,95,000 (Previous year ended March 31 2018:Rs NIL ) on various CSR initiatives which includes contribution / donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act.

## 2.33 Extra - Ordinary item

During the year the company has sold one of its property situated at E-169 Masjid Moth, Greater Kailash, New Delhi (on 01/03/2019) for a consideration of Rs 2,25,00,000 having a book value of Rs 43,19,000 and accumulated depreciation of Rs 16,84,392. The transaction has resulted into the capital gain of RS 1,98,65,392/- which is duly reflected under head extra - ordinary item.

## 2.34 Property Plant & Equipment

"a) The company was allotted leasehold land of 2500 sq. mtr. On 12/01/2011 by Greater Noida Authority for 90 years. The lease rent was paid by the company in one installment and was accordingly capitalised to the cost of the land. The company completed the construction of the building on 15.06.2017 & duly applied for completion certificate on 16.06.2017 which was granted by the Noida Authority on 20/03/2018, and accordingly all the expenses incurred till 15.06.2017 were capitalised under their normal heads of accounts."

"b). All the Expenses which are incurred after 15.06.2017 are capitalised as cost of improvement only if it meets the recognition criteria as specified in Accounting Standard - 10 issued by The Institute Of Chartered Accountants Of India. "

c) The company had started its Renting & Co - work business from 01/03/2019 from the building at Tech Zone IV Noida.

## 2.35 Expenditure considered under section 14A of Income Tax Act 1961

During the year under consideration the assessee company on the basis of internal method has considered the disallowance of Rs 4,06,403 under section 14A of the Income Tax Act 1961 as expenses towards earning of exempt income.

FOR AND ON BEHALF OF THE BOARD

"AS PER OUR REPORT ATTACHED OF EVEN DATE"

For M/s WALECHA INDER & ASSOCIATES

Chartered Accountants

Firm's Registration Number : 014205N

(RAKESH K. JAIN)  
Director  
DIN : 00050524

(GAURI SHANKER PANDEY)  
Director  
DIN : 00050614

(Walecha Inder Jeet)  
Partner  
M.No: 093694

( CS RICHA ARORA)  
Company Secretary &  
Whole Time Director  
M.No. :42906

(CA MAYANK AGARWAL)  
Chief Financial Officer  
M.No. : 544992

Place : Noida  
Date: 24/05/2019

2.36. [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 (Note No.1)	7,891,316	-
	c.	Term Loans	-	-
	d.	Inter-corporate loans and borrowings	-	-
	e.	Commercial Paper	-	-
	f.	Public Deposits (Refer note 2 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
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
	iv.	Government Securities
	v.	Others
	2	Unquoted
	I.	Share – Equity
		- Preference
	ii.	Debentures and Bonds
	iii.	Units of mutual funds
	iv.	Government Securities
	v.	Others
		Long Term Investments
	1	Quoted
	I.	Shares – Equity

175,127,201



	- Preference		-
ii.	Debentures and Bonds		12,654,050
iii.	Units of mutual funds		155,084,525
iv.	Government Securities		-
v.	Others		-
<b>2</b>	<b>Unquoted</b>		-
i.	Share – Equity		210
	- Preference		-
ii.	Debentures and Bonds		-
iii.	Units of mutual funds		-
iv.	Government Securities		-
v.	Others		-
<b>6</b>	<b>Borrower group wise classification of all leased assets, stock on hire and loans and advances (Refer note 3 below);</b>		
	<b>Category</b>	<b>Amount net of provision</b>	
		<b>Secured</b>	<b>Unsecured</b>
			<b>Total</b>
1	Related Parties**	-	-
a.	Subsidiaries	-	-
b.	Companies in the same group	-	-
c.	Other than related parties	-	-
	<b>Total</b>	-	-
<b>7</b>	<b>Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (Refer note 4 below)</b>		
	<b>Category</b>	<b>Market Value / Break up of fair value or NAV</b>	<b>Book Value (Net of Provisions)</b>
1	Related Parties**		
a.	Subsidiaries		-
b.	Companies in the same group		-
c.	Other related parties		-
2	Other than related parties		330,521,186
	<b>Total</b>	<b>330,521,186</b>	<b>342,865,987</b>
	<b>** As per Accounting Standard issued by the Institute of Chartered Accountants of India (ICAI).</b>		
<b>8</b>	<b>Other Information</b>		<b>Amount</b>
i.	Gross Non-Performing Assets		
a.	Related Parties		-
b.	Other than related parties		-
ii.	Net Non-Performing Assets		
a.	Related Parties		-
b.	Other than related parties		-
iii.	Assets acquired in satisfaction of debt		-

**Notes:**

- Amount is due to Greater Noida Authority for purchase of lease hold land of 90 Year.
- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998
- 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 or current in category 5 above.

FOR AND ON BEHALF OF THE BOARD

"AS PER OUR REPORT ATTACHED OF EVEN DATE"

For M/s WALECHA Inder &amp; ASSOCIATES

Chartered Accountants

Firm's Registration Number : 014205N

(RAKESH K. JAIN)  
Director  
DIN : 00050524

(GAURI SHANKER PANDEY)  
Director  
DIN : 00050614

(Walecha Inder Jeet)  
Partner  
M.No: 093694

(CS RICHAR ARORA)  
Company Secretary &  
Whole Time Director  
M.No. :42906

(CA MAYANK AGARWAL)  
Chief Financial Officer  
M.No. : 544992

Place : Noida  
Date: 24/05/2019

**SHAREHOLDER INFORMATION FORM**

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

To,  
 The Company Secretary  
 M/s Frontline Securities Limited  
 M-6, IInd floor, 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

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

1st fold

2nd 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, IInd floor, M-Block Market, Greater Kailash -II

New Delhi-110048

Place : .....

Date : .....

Dear Sirs,

I here by 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 here by 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, September 5<sup>th</sup>, 2019
2. In case your share are in Dematerialized form, in form/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.
4. Subject to the rules and regulations of the Scheme of ECS of the Reserve Bank of India from time to time.

----- 3rd fold -----

The Company Secretary  
M/s Frontline Securities Limited  
M-6, IInd floor, 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: L65100DL1994PLC058837

Name of the Company: Frontline Securities Limited

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

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

1. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ....., or failing him /her
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 25th Annual General Meeting of the company, to be held on the 12th September, 2019 at 9:45 a.m. at PHD House Laxmipat Singhaniya Auditorium August Kranti Marg, 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 31 March, 2019
2. Declaration of dividend on the equity shares for the Financial Year ended 31 March, 2019
3. Re-appointment of Mr. Rakesh K. Jain (holding DIN-00050524), who retires by rotation
4. Change in terms of appointment of Ms. Richa Arora, Whole Time Director & Company Secretary of the Company.
5. Re-appointment of Mr. Atul K. Jain as Independent Director of the Company
6. Re-appointment of Mr. Arun K. Jain as Independent Director of the Company
7. Re-appointment of Dr. Charanjeet Singh Bedi as Independent Director of the Company
8. Re-appointment of Mr. Baljit Singh Bedi as Independent Director of the Company

1 Revenue stamp
-----------------------

Signed this.....day of..... 2019

Signature of share holder..... 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.**



----- 3rd fold -----

The Company Secretary  
M/s Frontline Securities Limited  
M-6, IInd floor, 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  
FRONTLINE SECURITIES LIMITED**

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

**ATTENDANCE SLIP**

I here by record my presence at the 25<sup>th</sup> Annual General Meeting held at PHD House, Laxmipat Singhania Auditorium, New Delhi on Thursday, the 12th September, 2019 at 9.45 a.m.

Name of the Share holder(s).....(In Block Letter)

Father's / Husband's Name.....

Name of the Proxy or Company Representative.....(In Block Letters)

\*DPID..... \*Client Id.....

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

Signature of the Shareholder's or Proxy of Company Representative

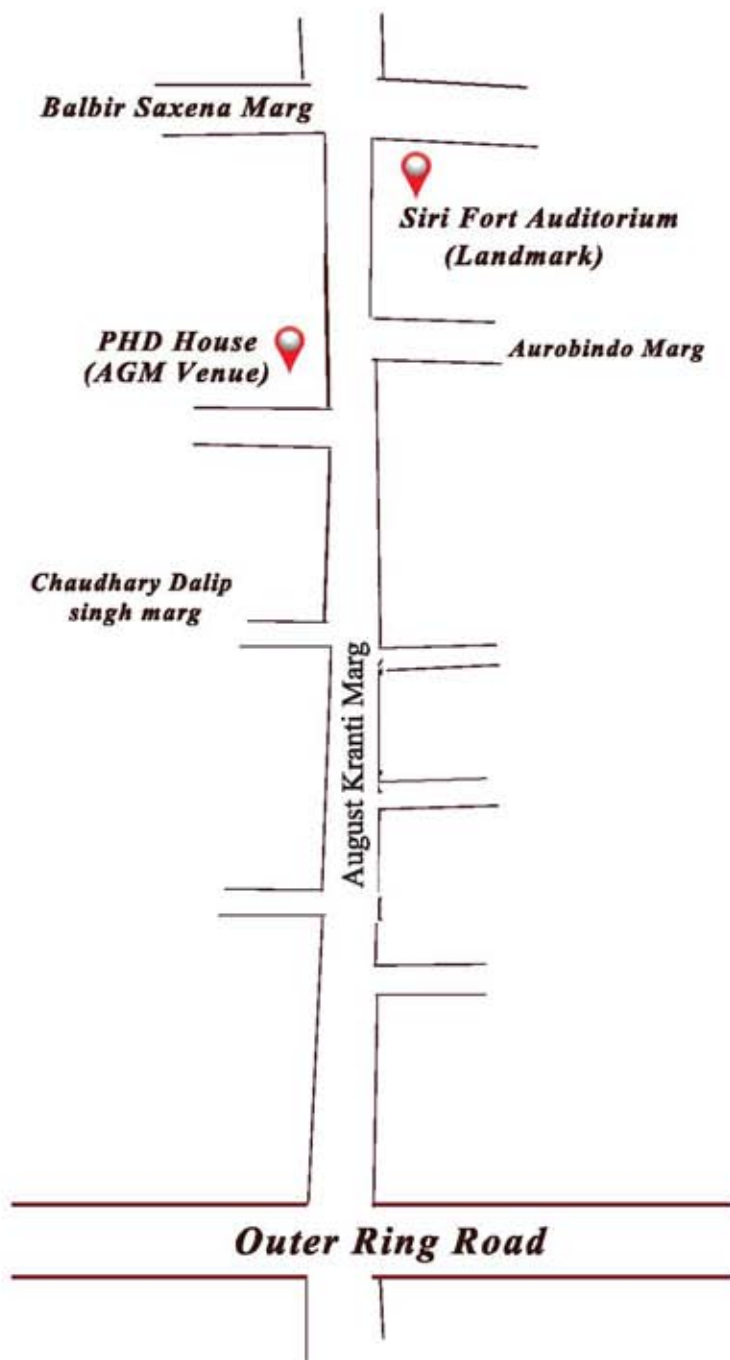
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**Note:** *Members/Proxies are requested to bring the duly filled in Attendance slip to the Annual General Meeting to be handed over at the meeting.*

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



## *Route Map for venue of AGM*







*If undelivered please return to :*

**FRONTLINE  
SECURITIES LIMITED**

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