22nd

ANNUAL REPORT

2015-2016

FSL

FRONTLINE
SECURITIES LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS:

• Mr. Rakesh K. Jain	Non – Executive Chairman
• 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	Woman Director

KEY MANAGERIAL PERSONNEL:

• Mr. Lav Agarwal	Chief Financial Officer
• Ms. Richa Arora	Company Secretary & Compliance officer
• Mr. Gauri Shanker Pandey	Whole Time Director

CIN:	L74899DL1994PLC058837
REGISTERED OFFICE:	M-6, IInd Floor, M Block Market, Greater Kailash-II, New Delhi- 110048
BRANCH OFFICE:	B-22, Sector-4, Noida-201301 Tel: +91-120-2534066, Fax: +91-120-2534111
WEBSITE :	**www.fslindia.com**
AUDITORS:	J. Jain & Company, *Chartered Accountants* 202-H, Paras Bazar, Gali Ghante Wali, Chandni Chowk, Delhi-110006
BANKERS:	HDFC Bank, New Delhi
REGISTRAR &SHARE TRANSFER AGENTS:	Link Intime India Private Limited 44 Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR, Naraina, New Delhi-110028

22nd Annual General Meeting
09:45 a.m, Tuesday, September 20th, 2016
PHD House-Lakshmipat Singhania Auditorium,
4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016

INDEX

Item Description	Page No.
• Notice of AGM	3-9
• Director's Report	10-38
• Management & Discussion and Analysis Report	39-40
• Report on Corporate Governance	41-59
• Balance Sheet, Profit & Loss Account and Cash Flow Statements	60-73
• Accounting Policies and Notes to Accounts	74-99
• Shareholder Information Form	
• ECS Mandate Form	
• Proxy Form	
• Attendance Slip	
• Route Map to the Venue of AGM	

NOTICE OF AGM

Notice is hereby given that the 22nd (Twenty Second) Annual General Meeting of **Frontline Securities Limited** for the Financial Year 2015-16 will be held on Tuesday, the 20th day of September, 2016 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 business:

ORDINARY BUSINESS:

1) To receive, consider and adopt the Financial Statements for the Financial Year ended 31st March, 2016 along with Director's Report and Auditor's Report thereon.

2) To declare dividend @ 5% on the equity shares for the financial year ended 31st March 2016.

3) To appoint a Director in place of Mrs. Sarabjeet Kaur (holding DIN-00013395), who retires by rotation, and being eligible offers herself for reappointment.

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

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s J. Jain & Company, Chartered Accountants (Firm Registration No. 004208N), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the twenty-third AGM of the Company to be held in the year 2017 at such remuneration plus service tax, out-of-pocket, traveling and living expenses, etc., as may be mutually agreed between the Board of the Directors of the Company and the Auditors."

By Order of the Board of Directors

For Frontline Securities Limited

Richa Arora

COMPANY SECRETARY

M.No. A42906

Place: Noida

Date: 25.05.2016

NOTES:

1. **A member entitled to attend and vote is authorized to appoint a proxy to attend and vote instead of himself/herself, and the proxy need not be a member of the company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY- EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A proxy Form is annexed hereto.
2. 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.
3. Members/ Proxies should bring the attendance slips duly filled in and signed for attending the meeting.
4. At the ensuing Annual General Meeting, **Mrs. Sarabjeet Kaur** (holding DIN No. 00013395) retires by rotation and being eligible offers herself 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 Report on Corporate Governance available elsewhere in this Report. The Board of Directors of the Company commends the said appointment.
5. M/s Link Intime India Private Limited, 44 Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi – 110028 is the Registrar and Share Transfer Agent for physical shares of the Company. Link Intime is also the depository interface of the Company with both NSDL and CDSL.
6. Members holding shares in physical form are requested to immediately notify change in their address, if any, to the Company at its Registered Office, quoting their Folio Number(s). Members holding shares in electronic form may update such details with their respective Depository Participant(s).

7. 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).
8. 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.
9. 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.
10. The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, September 13, 2016**, to **Tuesday, September 20, 2016**, (both days inclusive).
11. Final Dividend on equity shares @ 5% on the paid-up equity share capital i.e. Re 0.50 per equity share as recommended by the Board of Directors, if declared by the shareholders at the 22nd Annual General Meeting, will be paid to those shareholders whose names appear on the Register of Members of the Company as on September 13, 2016 and also to the Beneficial Owners of equity shares held in electronic form as per the details furnished by the Depositories for this purpose as on the close of business hours on September 12, 2016.
12. The Company has transferred unclaimed amount of dividends paid up to March 31, 2008 to the General Revenue Account / Investor Education and Protection Fund of the Central Government as required under Sections 205A and 205C of the Companies Act, 1956. Further, shortly the Company will initiate the process of transfer of unclaimed dividend pertaining to the financial year 2008-2009 to the Investor Education and Protection Fund in October, 2016.

    Members are therefore requested to encash their dividend warrants immediately for the year 2008-2009 and subsequent financial years. Members are requested to write to the Company and/ or Registrar and Share Transfer Agents, if any dividend warrant is due and pending to be paid so that fresh/revalidated warrants could be issued by the Company

13. **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 Monday, September 12, 2016, to the Company Secretary at B-22, Sector-4, Noida, Uttar Pradesh-201301 or M/s Link Intime India Private Limited at 44 Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi – 110028,
- shareholders holding shares in demat form are advised to inform the particulars of their bank account to their respective depository participants.,

14. To provide speedy redressal of investor grievances, the Company has designated an e-mail ID viz. investor@fsltechnologies.com exclusively for registering complaints/grievances by investors.

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

16. For the convenience of the Members, Route Map to the venue of the AGM forms part of the Annual Report.

17. 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 / the 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.

c) The Notice of the AGM along with Annual Report for Financial Year 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

d) Shareholders may also note that the Notice of the 22nd AGM and the Annual Report for Financial Year 2015-16 will also be available on the Company's website www.fslindia.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at M-6, IInd Floor, M- Block Market, Greater Kailash-II, New Delhi-110048 for inspection during normal business hours on working days. Even after registering for e-communication, shareholders are entitled to receive such communication in physical form, 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.

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

18. **Voting for transaction of Business:**

- In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed there under and the Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e- voting services provided by CDSL, 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 17th September, 2016 and ends at 5:00 p.m. on 19th September, 2016. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 13, 2016, may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The procedure and instructions to members for voting electronically are as under:

i. The shareholders should log on to the e-voting website www.evotingindia.com.

ii. Click on **"Shareholders".**

iii. Now Enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

iv. Next enter the Image Verification as displayed and Click on **Login.**

v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vi. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form & Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. **Eg.** If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in DD/MM/YYYY) as recorded in your demat account or in the company in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

vii. After entering these details appropriately, click on "SUBMIT" tab.

viii. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

x. Click on the EVSN for the relevant <Company Name> on which you choose to vote.

xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xvi. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xvii. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

19. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

By Order of the Board of Directors
For Frontline Securities Limited
Richa Arora
COMPANY SECRETARY
M.No. A42906

Place: Noida
Date: 25.05.2016

DIRECTOR'S REPORT

Dear Members,

The Directors of your Company take pleasure in presenting their Twenty Second Annual Report along with the audited financial statements for the financial year ended March 31, 2016.

FINANCIAL RESULTS

The financial performance of the Company, for the year ended March 31, 2016 is summarized below:

(In Lakhs)

Particulars	**2015-16**	**2014-15**
Gross Income	**479.89**	**658.09**
Profit before Depreciation and Amortization Expenses, Finance Costs and Tax Expenses	**403.15**	**572.63**
Finance Costs	(0.06)	(0.14)
Depreciation & Amortization expenses	(4.11)	(3.73)
Profit before Tax	**398.98**	**568.76**
Current Tax	(71.02)	(104.21)
MAT Credit	29.34	5.56
Deferred Tax	(3.32)	7.21
Profit for the year	**353.98**	**477.32**
Add: Balance in Profit & Loss Account	1606.89	1314.76
Total	**1960.87**	**1792.08**
Less: Appropriation:		
Impact of Depreciation pursuant to Schedule II of Companies Act, 2013	-	3.74
Transferred to RBI Reserve	70.79	95.46
Proposed Dividend on equity shares	35.93	71.87
Proposed Dividend Tax	7.52	14.37
Contingency Provision against Standard Assets	0.40	0.10
Short Provision of Income Tax made in the previous year	0.26	(0.36)
Closing Balance	**1845.97**	**1606.90**

REVIEW OF OPERATIONS

During the year under review, the Company had a Gross Income of Rs. 479.89 Lakhs as against Rs 658.09 lakhs in the previous year. The profit before tax stands at Rs.398.98 lakhs as against Rs. 568.76 lakhs in the previous year.

The decline in Net Profits has largely been because the Company could not add-on to the business of Mutual Fund distribution due to restrictive instructions of Reserve Bank of India as was stated in the last year's Director's Report. This led to de-growth of fee based business of the Company during current year.

STATE OF COMPANY AFFAIRS

The major business segments of the Company included Commission and Brokerage, Income received for providing services to its clients in respect of Wealth Management, Mutual Fund Distribution, Corporate Advisory. The Company's affairs were smoothly managed by the Board of Directors & Senior Managerial Personnel of the Company.

FUTURE OUTLOOK

The present stock market environment is volatile mainly considering global factors. However, due to our prudent investment practices, we feel that we will withstand the global pressure and barring unforeseen circumstances, we should be able to maintain our profitability.

MATERIAL EVENTS OCCURING BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT

Ms. Bhawna Grover, Chief Financial Officer has resigned from the said post w.e.f. 11th May, 2016. The Company has now appointed Mr. Lav Agarwal as a Chief Financial officer w.e.f. 11th May, 2016.

RBI GUIDELINES

The Company has complied with the Regulations of the Reserve Bank of India as on 31st March, 2016, 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 2 (i) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 1998.

RESERVE FUND

As per section 45IC of RBI Act 1934, the Company has transferred Rs.70.79 Lakhs in RBI reserve fund i.e. aggregating to 20% of its net profit.

DIVIDEND

Considering lower profits during the current year as compared to last year, the Board has recommended a final dividend @ 5 %(i.e. Rs. 0.5 per Equity Share) for the financial year ended 31st March, 2016

LISTING OF EQUITY SHARES

The equity shares of the Company are listed on the Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001. The Listing Fees for the financial year under review has been paid by the Company.

SHARE CAPITAL

There was no issue of shares during the year neither with differential rights as to dividend, voting or otherwise nor to employees of the company

DIRECTORS

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 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 Act and the Articles of Association of the Company, Mrs. Sarabjeet Kaur, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered herself for reappointment.

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 by the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The Company has devised a Policy for performance evaluation of Independent Directors, Board & its Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

The evaluation of all Directors, the Board as a whole and its committees was conducted based on the criteria and framework adopted by the Board.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors state that:

a) In the preparation of the annual accounts for the year ended March 31, 2016, 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 31, 2016 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.

KEY MANEGERIAL PERSONNEL

Mr. Yatandra Singh Pal, Company Secretary has resigned from the said post w.e.f 11th Feb, 2016.The Company has now appointed Ms. Richa Arora as Company Secretary w.e.f 26th Feb, 2016.

Ms. Bhawna Grover, Chief Financial Officer has resigned from the said post w.e.f. 11th May, 2016. The Company has now appointed Mr. Lav Agarwal as a Chief Financial officer w.e.f. 11th May, 2016.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE

Being a Non Banking Financial Institution, 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 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 arrangements 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.

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

During the year, the Company has spent Rs. 10.10 Lakh (2.002% of the average net profits of last three financial years) on CSR activities.

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

AUDITORS AND AUDITORS' REPORT

i) Statutory Auditors:

M/s J. Jain & Company, Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the Annual General Meeting to be held in the year 2017 (subject to ratification of their appointment at every Annual General Meeting) and are eligible for re-appointment at the ensuing Annual General Meeting. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re- appointment.

The notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

ii. Secretarial Audit:

The Board has appointed M/s Jain Aarti & Associates, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as Annexure V to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith in MGT-9 as Annexure VI to this Report.

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

SIGNIFICANT AND MATERIAL ORDERS

There are no orders passed by the regulatory authorities or courts or tribunal impacting the going concern status and company's operation in future.

RISK MANAGEMENT

In the terms of RBI Guidelines for NBFI, 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 four members of which all members including Chairman of the committee are Independent Directors. During the year six meetings were convened and held. Details of the same are provided in Report on Corporate Governance.

CORPORATE GOVERNANCE

A separate section on Corporate Governance Practices followed by the Company together 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 Requirement) Regulations, 2015.

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	1.77

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)	NIL**
Bhawna Grover (Chief Financial Officer)	10.53%

* There was no increase in the salary.
** Since no salary was paid in previous year so the same is not comparable.

c. The percentage increase in the median remuneration of employees in the financial year : 14.17%

d. The number of permanent employees on the rolls of Company: 8 (as on 31st March, 2016.)

e. The explanation on the relationship between average increase in remuneration and Company performance:

Increment is given keeping in mind the performance of employees, performance of company, general inflation etc.

f. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Aggregate remuneration of key managerial personnel (KMP) in FY 2016 (Rs. Lakhs)	14.16
Revenue (Rs. Lakhs)	479.89
Remuneration of KMPs (as % of revenue)	2.95%
Profit before Tax (PBT) (Rs. Lakhs)	398.98
Remuneration of KMP (as % of PBT)	3.55%

g Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	**March 31, 2016 (A)**	**March 31, 2015 (B)**	**Change (A-B)**
Market Capitalizations (Rs. Lakhs)	1851	4025	(2174)
Price Earnings Ratio	**5.22**	**8.43**	**(3.26)**

h. 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 14.17% whereas increase in the managerial remuneration for the year was 10.53%.

i. Comparison of each remuneration of the key managerial personnel against the performance of the Company:

	Whole Time Director	Company Secretary	Chief Financial Officer
Remuneration in FY15-16 (Rs. Lakhs)	6.00	3.79	4.36
Revenue (Rs. Lakhs)	479.89		
Remuneration as % of Revenue	1.25	0.79	0.91
Profit before Tax (PBT) (Rs. Lakhs)	398.98		
Remuneration (as % of PBT)	1.50	0.95	1.09

j. The key parameters for any variable component of remuneration availed by the directors: NIL

k. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: NIL

l. Affirmation that the remuneration is as per the remuneration policy of the Company: the Company affirms remuneration is as per the remuneration policy of the Company.

m. No information as required under Section 197(12) of the Act read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 has been furnished, as during the year no employee was in receipt of remuneration in excess of the prescribed limits.

ACKNOWLEDGMENT

Your Directors place on record their sincere thanks to the Company's esteemed Shareholders, Clients, Associates, Financial Institutions, Bankers, the Securities and Exchange Board of India, Bombay Stock Exchange Limited, 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
For Frontline Securities Limited
Rakesh K. Jain
Chairman
DIN : 00050524

Place: Noida
Date: 25.05.2016

Annexure-I

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 endeavour 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, Equity Listing Agreements and other relevant laws.

4.2 Criteria of Independence

4.2.1 The N&R 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.

Anexure-II

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:

1. **"Director"** means a director appointed to the Board of the Company.
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. **"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 2015-16.

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. Aridhi Jain, relative of Director
   - II. Hope Consultants Limited, common Directors
   - III. Frontline Capital Services Limited, common Directors

   (b) Nature of contracts/arrangements/transactions:
   - I. Rent Agreement,
   - II. Rent Agreement, and
   - III. Share Broking and Depository Services: respectively

   (c) Duration of the contracts / arrangements/transactions
   - I. Contract dated April 04, 2012 as renewed on April 07, 2015 which is ongoing.
   - II. Contract dated April 01, 2013 as renewed on April 04, 2016 which is ongoing.
   - III. Agreement entered in 1995, which is ongoing.

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
   - I. The Company has given residential premises on lease and rent basis on terms and conditions spelt out in the Rent Agreement.
   - II. The Company has taken office premises on lease and rent basis on the terms and conditions spelt out in the Rent Agreement.
   - III. The Company has entered into Share Broking and Depository Services in the regular course of business.

   (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

Annexure-IV

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 underserved and marginalized. 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

1. **Average net profit of the company for last three financial years for the purpose of computation of CSR:** Rs. 504.37 Lakhs
2. **Prescribed CSR Expenditure (two percent of the amount shown as in item 3 above):** Rs. 10.09/- lakhs
3. **Details of CSR spent during the financial year:**
   a. **Total amount to be spent for the financial year:** Rs. 10.10/- lakhs
   b. **Amount unspent, if any:** NIL
   c. **Manner in which the amount spent during the financial year is detailed below:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rupees in Lakhs)	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads: (Rupees in Lakhs)	Cumulative expenditure up to the reporting period (Rupees in lakhs)	Amount spent Direct or through implementing agency.
1.	Education activity	Education promotion	Pan India	10.10	10.10	10.10	Implementing Agency
Total (Rupees in Lakhs)				**10.10**	**10.10**	**10.10**	

1. **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

2. **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	Rakesh K. Jain
(Chairman CSR Committee)	(Chairman)
DIN: 00133750	DIN: 00050524

Annexure-V

SECRETARIAL AUDIT REPORT

For The Financial Year Ended on 31st March 2016

[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]

To,

The Members,
Frontline Securities Limited
M-6, IInd 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 **'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 our opinion thereon.

I Report That-

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its company secretary, its officers agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion during the audit period covering the financial year ended on 31st March 2016 ('Audit Period') the Company has complied with the statutory provisions listed hereunder 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 the Company for the financial year ended on 31st March 2016 according to the provisions of:

I. The Companies Act, 2013 **(the Act)** and the Rules made there under;

II. The Securities Contract (Regulation) Act, 1956 (SCRA) and the rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;

IV. The Following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992(SEBI Act) to the extent applicable to the Company:

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, 1992;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d) The Securities and Exchange Board of India (Registrar *to* an Issue & Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client.

e) The Securities and Exchange Board of India (Delisting of equity Shares) Regulations, 2009.

f) The Securities and Exchange Board of India (ESOS and ESPS) Guidelines, 1999;

g) The *Securities and* Exchange Board of India SEBI (Buyback of Securities) Regulations, 1998.

h) The Memorandum and Articles of Association of the Company.

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, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs 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 **22nd September 2015;**

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.
- 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 ail 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.

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

a) Foreign technical collaboration during the financial year;

b) Redemption / Buy-back of Securities;

c) Merger / Amalgamation / Reconstruction etc.;

d) Public/Right/Preferential issue of shares/debentures/sweat equity shares etc.;

e) Major decision taken by the members in pursuance to the section 180 of the Companies Act, 2013.

/ 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.

Place: Vaishali
Date: 19.05.2016

For Jain Aarti & Associates
(Company Secretaries)

CS Aarti Jain
Membership. No . A 17341
COP No.10040

Annuxure-VI

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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	L74899DL1994PLC058837
2	Registration Date	5/5/1994
3	Name of the Company	Frontline Securities limited
4	Category/Sub-category of the Company	Company Limited by Shares Non-Government Company
5	Address of the Registered office & contact details	M-6, IInd Floor,M Block Market, Greater Kailash-II, New Delhi, Ph: 011-29216309, 29212610 Fax : 011-2992218315
6	Whether listed company	Yes (Listed in BSE)
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. 44, Community centre, 2nd Floor, Naraina Industrial Area, Phase I, Near PVR Naraina, New Delhi - 110028 Ph: +91-1141410592 Fax: +91-41410591

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	Investments in Bonds/FDR/Loans & Advances	64990	18.77%
2	To buy, sell, acquire and hold shares, stocks, debentures and bonds	6599	71.75%

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 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	954,450	-	954,450	13.28%	1,762,724	-	1,762,724	24.53%	84.68%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	3,690,043	-	3,690,043	51.35%	3,090,043	-	3,090,043	43.00%	-16.26%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	4,644,493	-	4,644,493	64.63%	4,852,767	-	4,852,767	67.52%	4.48%
(2) **Foreign**									
a) NRI Individuals	-	-	-	0.00%	24,510	-	24,510	0.34%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	24,510	-	24,510	0.34%	0.00%
TOTAL (A)	4,644,493	-	4,644,493	64.63%	4,877,277	-	4,877,277	67.87%	5.01%

B. Public									
1. Institutions									
a) Mutual Funds	-	-	-	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) FIIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	735,305	21,700	757,005	10.53%	407,152	21,700	428,852	5.97%	-43.35%
ii) Overseas	-	-	-	0.00%	0	0	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	201,244	316,144	517,388	7.20%	203,614	308,744	512,358	7.13%	-0.97%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	837,896	-	837,896	11.66%	940,796	0	940,796	13.09%	12.28%
c) Others (specify)									
Non Resident Indians	424,477	-	424,477	5.91%	424477	0	424,477	5.91%	0.00%
Directors & relatives	-	1,720	1,720	0.02%	0	1,720	1,720	0.02%	0.00%
HUF	-	-	-	0.00%	999	0	999	0.01%	0.00%
Clearing Members	3,710	-	3,710	0.05%	210	0	210	0.00%	-94.34%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies- D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	2,202,632	339,564	2,542,196	35.37%	1,977,248	332,164	2,309,412	32.13%	-9.16%
Total Public (B)	2,202,632	339,564	2,542,196	35.37%	1,977,248	332,164	2,309,412	32.13%	-9.16%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	6,847,125	339,564	7,186,689	100.00%	6,854,525	332,164	7,186,689	100.00%	-4.14%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year [as on 31 March 2015]			Shareholding at the end of the year [as on 31 March 2016]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	**Rakesh K. Jain**	865,910	12.05%	0	1,465,910	20.40%	0	69.29%
2	**Prerna Jain**	55,720	0.78%	0	288,504	4.01%	0	417.77%
3	**Vidha Jain**	24,510	0.34%	0	24,510	0.34%	0	0.00%
4	**Aridhi Jain**	8,310	0.12%	0	8,310	0.12%	0	0.00%
5	**Hope Consultants Limited**	3,315,043	46.13%	0	2,715,043	37.78%	0	-18.10%
6	**Frontline Capital Services Limited**	375,000	5.22%	0	375,000	5.22%	0	0.00%

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year [as on 1 April 2015]		Cumulative Shareholding during the year [1 April 2015 to 31 March 2016]	
				No. of shares	% of total shares	No. of shares	% of total shares
1	**Rakesh Kumar Jain**						
	At the beginning of the year	1/4/2015		865,910	12.05%		0.00%
	Changes during the year	30/07/2015	Transfer	600,000	8.35%	1,465,910	20.40%
	At the end of the year	31/03/2016			0.00%	1,465,910	20.40%
2	**Hope Consultants Limited**						
	At the beginning of the year	1/4/2015		3,315,043	46.13%		0.00%
	Changes during the year	30/07/2015	Transfer	(600,000)	-8.35%	2,715,043	37.78%
	At the end of the year	31/03/2016			0.00%	2,715,043	37.78%
3	**Prerna Jain**						
	At the beginning of the year	1/4/2015		55,720	0.78%		0.00%
	Changes during the year	2/3/2016	Allot	232,784	3.24%	288,504	4.01%
	At the end of the year	31/03/2016			0.00%	288,504	4.01%

(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	Shareholding at the beginning of the year [as on 1 April 2015]		Cumulative Shareholding during the year [1 April 2015 to 31 March 2016]	
		No. of shares	% of total shares	No. of shares	% of total shares
1	**Manish Jain**				
	At the beginning of the year	176,446	2.46%		0.00%
	Changes during the year	84,950	1.18%	261,396	3.64%
	At the end of the year		0.00%	261,396	3.64%
2	**Anita Mohan**				
	At the beginning of the year	204,184	2.84%		0.00%
	Changes during the year	-	0.00%	204,184	2.84%
	At the end of the year		0.00%	204,184	2.84%
3	**A R Infrastructure Pvt. Ltd.**				
	At the beginning of the year	170,097	2.37%		0.00%
	Changes during the year	-	0.00%	170,097	2.37%
	At the end of the year		0.00%	170,097	2.37%
4	**Mohan Viswanathan Pudugram**				
	At the beginning of the year	151,893	2.11%		0.00%
	Changes during the year	-	0.00%	151,893	2.11%
	At the end of the year		0.00%	151,893	2.11%
5	**Pravin Agarwal**				
	At the beginning of the year	135,900	1.89%		0.00%
	Changes during the year	4,750	0.07%	140,650	1.96%
	At the end of the year		0.00%	140,650	1.96%
6	**Nina Puri**				
	At the beginning of the year	39,200	0.55%		0.00%
	Changes during the year	91,600	1.27%	130,800	1.82%
	At the end of the year		0.00%	130,800	1.82%
7	**Flex International Pvt. Ltd.**				
	At the beginning of the year	78,500	1.09%		0.00%
	Changes during the year	-	0.00%	78,500	1.09%
	At the end of the year		0.00%	78,500	1.09%
8	**Sharad Jain**				
	At the beginning of the year	67,350	0.94%		0.00%
	Changes during the year	9,085	0.13%	76,435	1.06%
	At the end of the year		0.00%	76,435	1.06%
9	**R N Consultants Pvt. Ltd.**				
	At the beginning of the year	76,000	1.06%		0.00%
	Changes during the year	-	0.00%	76,000	1.06%
	At the end of the year		0.00%	76,000	1.06%
10	**Ajai Chowdhry**				
	At the beginning of the year	75,000	1.04%		0.00%
	Changes during the year	-	0.00%	75,000	1.04%
	At the end of the year		0.00%	75,000	1.04%

(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 [as on 1 April 2015]		Cumulative Shareholding during the year [1 April 2015 to 31 March 2016]	
				No. of shares	% of total shares	No. of shares	% of total shares
1	**Richa Arora**						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
2	**Bhawna Grover**						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
3	**Rakesh K. Jain**						
	At the beginning of the year	1/4/2015		865,910	12.05%		0.00%
	Changes during the year	30/07/2015	Transfer	600,000	8.35%	1,465,910	20.40%
	At the end of the year	31/03/2016		-	0.00%	1,465,910	20.40%
4	**Sarabjeet Kaur**						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
5	**Baljit Singh Bedi**						
	At the beginning of the year	1/4/2015		600	0.01%		0.00%
	Changes during the year	-		-	0.00%		0.00%
	At the end of the year	31/03/2016		-	0.00%	600	0.00%
6	**Gauri Shanker Pandey**						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
7	**Charanjeet Singh Bedi**						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
8	**Atul k. Jain**						
	At the beginning of the year	1/4/2015		10	0.00%		0.00%
	Changes during the year	-		-	0.00%	-	0.00%
	At the end of the year	31/03/2016		-	0.00%	10	0.00%
9	**Arun k. Jain**						
	At the beginning of the year	1/4/2015		210	0.00%		0.00%
	Changes during the year	-		-	0.00%	-	0.00%
	At the end of the year	31/03/2016		-	0.00%	210	0.00%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NONE			
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NONE			
Change in Indebtedness during the financial year				
* Addition	NONE			
* Reduction				
Net Change	NONE			
Indebtedness at the end of the financial year				
i) Principal Amount	NONE			
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NONE			

VI. 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/WTD/ Manager	Total Amount
	Name	**Gauri Shanker Pandey**	(Rs. in Lacs)
	Designation	**Whole Time Director**	
1	Gross salary	6.00	6.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	-
2	Stock Option	0	-
3	Sweat Equity	0	-
4	Commission	0	-
	- as % of profit	0	-
	- others, specify	0	-
5	Others, please specify	0	-
	Total (A)	**6.00**	**6.00**
	Ceiling as per the Act		**43.89**

B. Remuneration to other Directors

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

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
	Name			(Rs. in Lacs)
	Designation	**CS (Company Secretary)**	**CFO (Chief Financial Officer)**	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.72	4.28	8.00
	(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 (Bonus)	0.07	0.08	0.15
	Total	**3.79**	**4.36**	**8.15**

VII. 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	NONE				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NONE				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NONE				
Punishment					
Compounding					

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Development:

The year under review had been negative from stock market point of view. NIFTY has declined 8.87% during the current year. However, our prudent investment policies helped in having a positive income from the stock market. However, as the overall market was in negative, we had limited income from the capital market. Further, due to restrictive instructions of Reserve Bank of India towards our mutual fund distribution business, we saw a de-growth in fee based business.

The present stock market environment is volatile mainly considering global factors. However, due to our prudent investment practices, we feel that we will withstand the global pressure and barring unforeseen circumstances, we should be able to maintain our profitability.

2. Opportunities and threats

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

3. Segment wise performance & outlook

During the year under review, the Company operates in one geographical segment i.e. India & has identified two business segments i.e. Segment-I which is Consultancy, Commission & Brokerage & Segment-II Investments in Bonds, Fixed deposits & Loan & Advances. The company earned profit before tax of Rs. 6.77 lakh and Rs. 56.12 lakh from Segment-I and Segment-II Respectively.

4. Outlook

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

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.

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 31.03.2016**	**Year ended 31.03.2015**
Sales / income from operations	131.73	265.96
Other Income	348.16	392.13
Expenses	80.91	89.32
Profit Before Tax	398.98	568.76
Tax Expense		
- Current Tax	71.02	104.21
- Mat Credit Entitlement	(29.34)	(5.56)
- Deferred Income Tax	3.32	(7.21)
Profit After Tax	353.98	477.32
Proposed Dividend	35.93	71.87

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 seeks respects and values the diverse qualities and background that its people bring to it and is committed to utilizing the richness of knowledge, ideas, experience that this diversity provides. The Company has built a resource base and cross-functional managers to take care of multi dimensional businesses.

9. **Disclosure of Accounting Treatment**

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

10. Cautionary Statement

Statement in this Management Discussion and analysis 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 include change in government regulations, tax regimes, and economic development within and outside India**.**

By Order of the Board of Directors

For Frontline Securities Limited

Place: Noida

Date: 25.05.2016

RICHA ARORA

COMPANY SECRETARY

M.No. A42906

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Corporate Governance

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

The Company emphasizes on good Corporate Governance and believes in maintaining highest standards of quality and ethical conduct in all activities of the Company. The Company strongly believes in fair, efficient and transparent business operations, fairness to all stakeholders in the Company, proper disclosure of relevant financial and non-financial information and enhancing shareholder's value on a continuing basis.

2. Board Composition and Particulars of Directors

The Board of Directors of the Company have an optimum combination of Executive, Non-Executive and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. The Board of the Company comprises of Seven Directors including one Woman Director and four Independent Directors

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

Category	Name of Directors
Non-Executive & Promoter Director (Chairman)	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	Mr. Gauri Shanker Pandey

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

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.

The shareholding of non-executive directors as on March 31, 2016 is as follows:

Name	**No. of shares held**
Rakesh K. Jain	14,65,910
Atul K. Jain	10
Arun K. Jain	210
Dr. Charanjeet Singh Bedi	Nil
Baljit Singh Bedi	600
Sarabjeet Kaur	Nil
Total	**14,66,730**

Director Retiring by Rotation

Details of Director retiring by rotation are as follows:

Mrs. Sarabjeet Kaur, a Company Secretary and a Law Graduate has been on the Board of the Company since 2002. Besides being a Director, Mrs. Sarabjeet Kaur is a member of the Stakeholder Relationship Committee of the Company. With her expertise in corporate laws she has contributed extensively to the growth of the company.

Mrs. Sarabjeet Kaur does not have any Inter-se Relation with the other Directors on the Board of the Company and at present she is not holding any shares in the Company.

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.	07th April, 2015	7	6
2.	13th April, 2015	7	6
3.	26th May, 2015	7	5
4.	09th June, 2015	7	6
5.	29th July, 2015	7	6
6.	13th August, 2015	7	7
7.	13th November, 2015	7	7
8.	08th February, 2016	7	7
9.	26th February, 2016	7	7

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 2015-2016	
		Board Meetings	Last AGM
1	Mr. Rakesh K. Jain	9	Yes
2	Mr. Atul K. Jain	9	Yes
3	Mr. Arun K. Jain	9	Yes
4	Dr. Charanjeet Singh Bedi	9	No
5	Mrs. Sarabjeet Kaur	9	Yes
6	Mr. Baljit Singh Bedi	8	Yes
7	Mr. Gauri Shanker Pandey	4	Yes

Particulars of Directorship of other companies

S. No.	Name of the Director and Designation in the Company	Name of the company	Position
1.	Mr. Rakesh K. Jain (Chairman)	Hope Consultants Limited Frontline Capital Services Limited Association of National Exchanges Members of India Wonder Buildtech Private Limited Petal Consultants Private Limited FSL Consultants Private Limited	Director Director Director Director Director Director
2.	Mr. Atul K. Jain (Independent Director)	Frontline Capital Services Limited	Whole-Time Director (Resigned w.e.f 06th April , 2016)
3.	Mr. Arun K. Jain (Independent Director)	Vardhman Electricals Private Limited	Director
4.	Dr. Charanjeet Singh Bedi (Independent Director)	ABC Telecom Private Limited Three-D Solutions Private Limited	Director Director
5.	Mr. Baljit Singh Bedi (Independent Director)	BSN Financial Services Private Limited	Director
6.	Mrs. Sarabjeet Kaur (Non- Executive Director)	NIL	NIL
7.	Mr. Gauri Shanker Pandey (Whole- Time Director)	FSL Software Technologies Limited Wonder Buildtech Private Limited Frontline Capital Services Limited	Director Director Director

Note: During the year under review, Mr. Atul K. Jain was a Member of Nomination & Remuneration Committee of Frontline Capital Services Limited. No other director was occupying any position in any committee of other companies.

Details of other Committee Position of Director/CFO in Company

	Name of the Directors/CFO						
Name of the Committee	Atul K. Jain	Arun K. Jain	Dr. Charanjeet Singh Bedi	Baljit Singh Bedi	Sarabjeet Kaur	Gauri Shanker Pandey	Bhawna Grover
Audit Committee	Chairman	Member	Member	Member	-	-	-
Stakeholders Relationship Committee	Chairman	Member	-	-	Member	-	-
Nomination and Remuneration Committee	-	Chairman	Member	Member	-	-	-
Corporate Social Responsibility Committee	Chairman	Member	-	-	-	Member	-
Risk Management Committee	Member	Member	-	-	-	Chairman	Member

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. The Company has also obtained declarations from all the Independent Directors pursuant to section 149(7) of the Companies Act, 2013.

Performance Evaluation of Non-Executive and Independent Directors

The Board evaluates the performance of Non-executive and Independent Directors every year. 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.

Separate Meeting of the Independent Directors:

The Independent Directors held a meeting on February 8, 2016, without the attendance of Non-Independent Directors and members of Management therein. All the Independent Directors were present at the meeting.

4. Audit Committee

(1) Composition

The Audit Committee comprises of 4 (four) Independent Directors. The Chairman is an Independent Director. The Audit Committee is being chaired by Mr. Atul K. Jain.

(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.

(3) Meetings and attendance during the year

The Audit Committee met Six (6) times during the Financial Year 2015-2016. The details of attendance at these meetings are as follows:

Name	Position	Attendance at the meeting held on					
		07th April, 2015	26th May, 2015	29th July, 2015	13th August, 2015	13th November, 2015	08th February, 2016
Mr. Atul K. Jain	Chairman	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Arun K. Jain	Member	Yes	Yes	Yes	Yes	Yes	Yes
Dr. Charanjeet Singh Bedi	Member	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Baljit Singh Bedi	Member	Yes	Yes	Yes	Yes	Yes	Yes

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

The Chairman of the Audit Committee was present at the 21st Annual General Meeting held on September 22, 2015.

5. Stakeholder Relationship Committee

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, rematerialisation 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.

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.

3. Meetings and attendance during the year

During the financial year ended March 31, 2016, Eleven (11) 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	11	11
Arun K. Jain	Member	11	11
Sarabjeet Kaur	Member	11	11

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

1. Name and Designation of Compliance Officer

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 14 complaints/ correspondence from investors/members and no investor complaints/ correspondence is pending as on March 31, 2016.

As on March 31, 2016, there is no pending request for share transfer, dematerialization or rematerialization of shares.

6. Nomination and Remuneration Committee

(i) Terms of Reference

The powers and terms of reference of the Nomination and Remuneration 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 periodically 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.

(ii) Composition

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

(iii) Meetings and attendance during the year

During the year the Committee had three (3) meeting on 13th April, 2015, 27th July, 2015 & 26th February, 2016.

(iv) Composition, name of Members and attendance during the year

Name of Member	Position	No. of Meetings held	Attendance
Arun K. Jain	Chairman	3	3
Dr. Charanjeet Singh Bedi	Member	3	3
Baljit Singh Bedi	Member	3	3

(v) 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 Shankar Pandey (Whole Time Director of the Company)

S.No.	Particulars	Monthly Remuneration Amount (in Rs.)
1	Basic	20,000
2	HRA	20,000
3	Conveyance	400
4	Other Allowances	9,600
	Total	**50000**

7. Corporate Social Responsibility Committee (CSR)

i) 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.

ii) Composition:

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

iii) No. of Meetings held during the year:

During the year the Committee had one meeting held on 26th February, 2016.

iv) Composition, name of Members and attendance during the year

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

8. RISK MANAGEMENT COMMITTEE

i) Terms of reference :

The Board of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness.

ii) 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.

iii) No. of Meetings held during the year:

During the year the Committee had one meeting on 26th February, 2016.

iv) Composition, name of Members and attendance during the year

Name of Member	Position	No. of Meetings held	Attendance
Gauri Shanker Pandey	Chairman	1	1
Arun K. Jain	Member	1	1
Atul K. Jain	Member	1	1
Bhawna Grover	Member	1	1

9. Details of General Body Meetings

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

Year	Location	Date	Time	Whether any special resolution passed therein
2012-13	Air Force Auditorium Subroto Park New Delhi – 110 010	September 23, 2013	09.45 A.M.	No
2013-14	Air Force Auditorium Subroto Park New Delhi – 110 010	September 17, 2014	09.45 A.M.	No
2014-15	PHD House-Lakshmipat Singhania Auditorium, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	September 22, 2015	09.45 A.M.	No

2. No special resolution was passed through postal ballot at the last AGM.

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

10. Disclosures

1. The particulars of transactions between the Company and its related parties as per the Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) are disclosed in Note No. 2.21 of Notes to the Financial Statements. However, these transactions are not likely to have any conflict with the Company's interest.

2. No Strictures/Penalties have been imposed on the Company by the Stock Exchange or the Securities and Exchange Board of India (SEBI) or any statutory authority on any matters related to capital markets during the last three years.

3. In the preparation of the financial statements, the Company has followed the Accounting Standards issued by ICAI. The significant accounting policies, which are consistently applied, have been set out in the Notes to the Financial Statements.

4. The company has 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.

5. The Company has complied with all the mandatory requirements of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. Means of Communication of Financial Results

- The un-audited and the 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.

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 of all the shareholders complaints. The company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.

13. General Member Information

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

Date	September 20, 2016
Day	Tuesday
Time	9: 45 A.M.
Venue	PHD House-Lakshmipat Singhania Auditorium, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016

ii) Financial Calendar

Results for the quarter ended June, 2016	Will be Announced on/ before 14th August, 2016.
Results for the quarter ended September, 2016	Will be announced on/ before 14th November, 2016.
Results for the quarter ended December, 2016	Will be announced on/ before 14th February, 2017.
Results for the year ended 31st March, 2017	Will be announced on/ before 30th May, 2017.

iii) Book Closure Dates: September 13, 2016(Tuesday) **to** September 20, 2016(Tuesday)

iv) Dividend Payment date: Credit/dispatch of dividend warrants between September 21, 2016 and October 1, 2016.

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

v) **Listing on Stock Exchange** Bombay Stock Exchange Ltd.(the Listing Fees has been paid for FY 15-16)

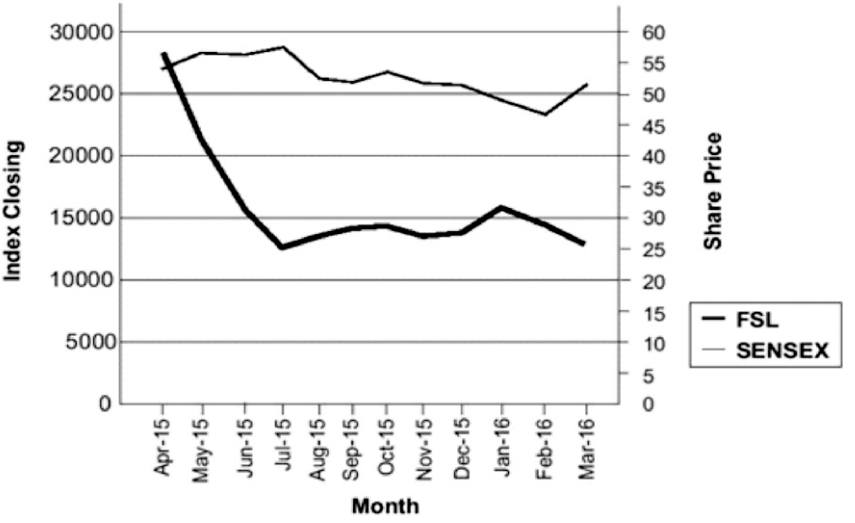
vi) **Stock Code** 533213

vii) **ISIN** INE773B01012

viii) **Stock Market Price Data**

MONTH	Bombay stock Exchange(BSE) (in Rs. Per Share)	
	Month's High Price	Month's Low Price
Apr-15	58.80	56.00
May-15	56.00	41.40
Jun-15	41.00	31.10
Jul-15	36.40	26.50
Aug-15	29.75	23.75
Sep-15	28.85	27.50
Oct-15	29.80	28.05
Nov-15	28.70	26.05
Dec-15	27.35	27.35
Jan-16	40.20	31.30
Feb-16	29.75	28.30
Mar-16	28.50	25.75

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



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

ix) Registrar & Share Transfer Agents:

M/s Link Intime India Private Limited,
44 Community Centre, 2nd Floor, Naraina Industrial Area,
Phase I, Near PVR Naraina, New Delhi-110028,
Email: delhi@linkintime.co.in

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.

x) Distribution of Shareholding as on March 31, 2016 is as follows:

Shareholding of Shares	Folios		Shares	
	Numbers	%	Numbers	%
1-500	3137	93.98	318276	4.43
501-1000	116	3.47	97135	1.35
1001-2000	40	1.20	56200	0.78
2001-3000	5	0.15	13600	0.19
3001-4000	5	0.15	18311	0.25
4001-5000	2	0.06	9100	0.13
5001-10000	7	0.21	48575	0.68
10001& above	26	0.78	6625492	92.19
TOTAL	**3338**	**100.00**	**7186689**	**100.00**

xi) Shareholding Pattern as on March 31, 2016 is as follows:

S. No.	Category	No. of equity shares	% of shares
1.	Promoters	48,77,277	67.87
	Sub Total (A)	48,77,277	67.87
2.	Public Shareholding o Bodies Corporate o Individuals o Others	 4,28,852 14,54,874 4,25,686	 5.97 20.24 5.92
	Sub Total (B)	23,09,412	32.13
	Grand Total (A)+(B)	**71,86,689**	**100.00**

xii) Dematerialization of shares and Liquidity

As on 31st March 2016, 68, 54,525 shares aggregating to 95.38% of the paid up share capital are held in dematerialized mode.

xiii) Outstanding GDRs/ADRs/Warrants

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

xiv) 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	**Frontline Securities Ltd.** **Registered Office:**
44, Community Centre 2nd Floor, Naraina Industrial Area Phase I near PVR Naraina New Delhi-110028	M-6, M-Block Market Greater Kailash-II, New Delhi-110048
Contact No: 011-41410592/93/94	Contact No: 011- 29212610 **Branch Office:** B-22, Sector-4, Noida-201301 Tel: +91-120-2534066 Fax: +91-120-2534111

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

14. 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.

15. 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, interalia, 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.

16. CEO / CFO Certification

In accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, CA Lav 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 CEO / CFO Certification is provided in the Annual Report.

17. Code of Conduct

The Company has laid down a Code of Conduct for all the Board Members and Senior Management Personnel. All Board Members and Senior Management Personnel have confirmed compliance with the said code of conduct for the financial year ended March 31, 2016. The declaration to this effect signed by the Whole-Time Director forms part of the report.

18. 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

Place: Noida

Date: 25.05.2016

RICHA ARORA

COMPANY SECRETARY

M.No. A42906

CFO CERTIFICATION

The Board of Directors
Frontline Securities Limited
M-6, 2nd Floor, M-Block
Market, G.K-II, Delhi

Dear members of the Board,

I, CA Lav 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 their 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 the listed entity'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 listed entity during the year which are fraudulent, illegal or violative of the listed entity'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 listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. I have indicated to the auditors and the Audit committee

   (1) Significant changes in internal control over financial reporting during the year(if any);

   (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements (if any); and

   (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting (if any).

Lav Agarwal
Chief Financial Officer
Frontline Securities Limited

DECLARATION

Declaration by Whole Time Director under Regulation 34(4) ,53 (f) and Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 regarding the compliance with Code of Conduct

In accordance with the Regulation 34(4), 53 (f) and Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed with the Code of Conduct, as applicable to them, for the Financial Year ended on March 31, 2016.

Place: Noida
Date: 25.05.2016

On Behalf of the Board of Director
For Frontline Securities Limited

Gauri Shanker Pandey
Whole-Time Director
DIN: 00050614

Auditors' certificate on Corporate Governance

To

The Members of Frontline Securities Limited

We have examined the compliance of conditions of Corporate Governance by Frontline Securities Limited ('the Company'), for the year ended 31 March 2016, as stipulated in Clause 49 of" the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1st April 2015 to 30 November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations. 2015 ('Listing Regulations') as referred lo in Regulation 15 (2) of the Listing Regulations for the period 1st December 2015 to 3 1 March 2016.

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

In our opinion and to the best of our information and according to the explanations given to us. we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement/ Listing Regulations, as applicable.

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 J. Jain & Company
Chartered Accountants

Jayanti Jain
Partner
M.No. 83450

INDEPENDENT AUDITOR'S REPORT

To

The Members of
Frontline Securities Limited
New Delhi

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Frontline Securities Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 of these standalone 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting 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 adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audi report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016; and

b) In the case of the Statement of Profit and Loss, of the Profit of the company for the year ended on that date.

c) In the case of the Cash Flow Statement, the cash flow of the company for the year ended March 31, 2016

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section 11 of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 & 4 of the Order, to the extent applicable.
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 account as required by law have been kept by the Company so far as it 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
   (e) In our opinion, the aforesaid standalone 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 the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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
   (f) 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:

I) The company does not have any pending litigation which would impact its financial positions.

II) The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

III) There have been no delays in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For J. Jain & Company
Chartered Accountants
Firm's Registration No.: 004208N

(Jayanti Jain
(Partner)
M.No. 83450

Place: Noida

Date: 25.05.2016

Annexure - A to the Auditors' Report

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 2016, 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 and Sales tax are not applicable to the company during the year and accordingly no comment has been made in respect *of* these dues. Further the company is regular in depositing other undisputed statutory dues including Provident Fund, Employee State Insurance, Investor Education & Protection Fund, Income Tax, Service Tax, Cess and any other statutory dues with the appropriate authority. There are no undisputed statutory dues payable in respect of Provident Fund, Employee State Insurance, Investor Education & Protection Fund, Income Tax, Service Tax, Cess and any other statutory dues which are standing as at 31 March 2016 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 has not made any default in repayment of dues to a financial institution or bank or debenture holders during the current financial year.

(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 for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to 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.

For J. Jain & Company
Chartered Accountants
Firm's Registration No.: 004208N

(Jayanti Jain
(Partner)
M.No. 83450

Place: Noida

Date: 25.05.2016

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 2016 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 and deemed to be 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 2016, 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 J. Jain & Company
Chartered Accountants
Firm's Registration No.: 004208N

(Jayanti Jain
(Partner)
M.No. 83450

Place: Noida

Date: 25.05.2016

BALANCE SHEET AS AT 31st March 2016

			Note No	As at 31.03.2016	As at 31.03.2015
I.	**EQUITY AND LIABILITIES**				
	(1)	**Shareholder's Funds**			
	(a)	Share Capital	2.1	71,866,890	71,866,890
	(b)	Reserves and Surplus	2.2	323,972,256	292,986,181
	(2)	**Non-Current Liabilities**			
	(a)	Long-term borrowings	2.3	16,559,439	18,793,587
	(b)	Long term provisions	2.4	144,601	104,565
	(c)	Other long term liabilities	2.5	928,100	259,000
	(3)	**Current Liabilities**			
	(a)	Trade payables	2.6	734,433	889,248
	(b)	Other current liabilities	2.7	2,027,316	1,330,310
	(c)	Short-term provisions	2.8	4,474,806	8,681,019
		Total		**420,707,841**	**394,910,800**
II.	**ASSETS**				
	(1)	**Non-current assets**			
	(a)	Fixed assets	2.9		
	(i)	Tangible Assets		53,721,508	51,613,213
	(ii)	Intangible Assets		219,157	284,109
	(iii)	Capital Work In Progress		13,816,029	117,000
	(b)	Non-current investments	2.10	282,825,507	257,942,900
	(c)	Deferred tax Assets (Net)		1,438,486	1,770,866
	(d)	Long Term Loans and Advances	2.11	10,559,373	6,807,241
	(2)	**Current assets**			
	(a)	Current investments	2.12	-	24,020,298
	(b)	Cash and bank balances	2.13	13,994,826	14,432,265
	(c)	Short-term loans and advances	2.14	41,447,117	35,839,844
	(d)	Other Current Assets	2.15	2,685,838	2,083,064
		Total		**420,707,841**	**394,910,800**

Significant Accounting Policy & Notes to Accounts 1 & 2

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

For J. JAIN & COMPANY
Chartered Accountants
Firm's Registration Number : 004208N

(RAKESH K. JAIN)
Director
DIN : 00050524

(GAURI SHANKER PANDEY)
Director
DIN : 00050614

(JAYANTI JAIN)
Partner
M.No. 83450

(CS RICHA ARORA)
Company secretary
M.No. :-42906

(CA LAV AGARWAL)
Chief Financial Officer
M.NO.-536963

Place : Noida
Dated : 25.05.2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(Amount in Rs.)

	Particulars	Note No	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
I.	**Revenue:**			
	a) Revenue from operations	2.16	13,172,687	26,595,821
	b) Other Income	2.17	34,816,325	39,212,689
	Total Revenue		**47,989,012**	**65,808,510**
II.	**Expenses:**			
	a) Employee benefit expense	2.18	2,856,408	2,646,443
	b) Finance costs	2.19	6,217	13,555
	c) Administrative & Other Expenses	2.20	4,818,521	5,899,187
	d) Depreciation and Amortization expense	2.9	410,547	372,764
	Total Expenses		**8,091,693**	**8,931,949**
III.	**Profit before tax**	**(I - II)**	**39,897,319**	**56,876,561**
IV.	**Tax expense**			
	(1) Current tax		7,101,881	10,420,861
	Less: Mat Credit Entitlement		(2,934,428)	(555,925)
	(2) Deferred tax		332,380	(720,956)
V.	**Profit/(Loss) for the period**		**35,397,485**	**47,732,581**
VI.	**Earning per equity share:**			
	Basic		**4.93**	**6.64**
	Diluted		**4.93**	**6.64**
	Weighted average number of equity shares		7,186,689	7,186,689
	Face value per equity share (Rs.)		10	10
Significant Accounting Policy & Notes to Accounts			1 & 2	

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

For J. JAIN & COMPANY
Chartered Accountants
Firm's Registration Number : 004208N

(RAKESH K. JAIN)
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M.No. :-42906

(CA LAV AGARWAL)
Chief Financial Officer
M.NO.-536963

Place : Noida
Dated : 25.05.2016

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

Amount in Rs.

Particulars		For the year ended 31.03.2016		For the year ended 31.03.2015
A. Cash Flow from Operating Activities				
Net Profit Before Taxation		39,897,319		56,875,850
Adjustments for Profit & Loss Account				
Depreciation	410,547		372,764	
Interest Income	(9,006,564)		(7,618,419)	
Dividend Income	(5,164,434)		(4,353,088)	
Profit on Sale of Investments (Net)	(29,267,057)		(34,540,001)	
Loss / (Gain) on Sale of Fixed Assets	-	(43,027,507)	-	(46,138,744)
Operating Profit before working capital Changes		(3,130,188)		10,737,106
Adjustments for Working Capital				
Trade Payables	(154,815)		843,948	
Increase/ (Decrease) in Other current liabilities	512,356		(955,990)	
Increase/ (Decrease) in Short term provisions	(57,137)		(411,333)	
(Increase)/ Decrease in Short term loans & advances	(5,607,273)		1,830,749	
(Increase)/ Decrease in Other current assets	(602,730)		1,471,009	
Cash Generated from Operations		**(5,909,599)**		**2,778,382**
Advance Tax/ TDS Paid		(6,972,599)		(10,539,398)
Net Cash From Operating Activities		**(16,012,386)**		**2,976,090**
B. Cash Flow from Investing Activities				
(Purchase) / Sale of Fixed Assets [Net]	(16,152,920)		(3,065,250)	
(Purchase) of Investments	(293,688,055)		(338,524,347)	
Sale of investments	322,092,757		333,516,800	
Sale of Fixed Deposit	-		10,700,000	
Long Term Loans and Advances	(817,703)		(5,647,638)	
Interest Income	9,006,564		7,618,419	
Long term Borrowings	(2,234,148)		(2,657,258)	
Increase/ (Decrease) in Other long term liabilities	669,100		-	
Dividend Income	5,164,434		4,353,088	
Net Cash Used in Investing Activities		**24,040,028**		**6,293,814**

C.	**Cash Flow from Financing Activities**			
Dividends paid (including unclaimed)		(7,186,690)		(7,186,690)
Dividend Distribution Tax		(1,436,915)		(1,221,378)
Earlier Year CDT Pay		(26,126)		-
Long Term Borrowings		-		-
Net Cash Used in Financing Activities			**(8,649,731)**	**(8,408,068)**
Net Increase/(Decrease) in cash and cash equivalents			**(622,089)**	**861,836**
Cash and cash Equivalents at the beginning of the Yr.			924,516	62,680
Cash and cash Equivalents at the end of the Yr.			**302,427**	**924,516**
Earmarked Balance with Bank			1,192,399	1,007,749
Short Term Bank Deposits			12,500,000	12,500,000
Cash and Bank Balance at the end of year			**13,994,826**	**14,432,265**

FOR AND ON BEHALF OF THE BOARD

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

(RAKESH K. JAIN)
Director
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(JAYANTI JAIN)
Partner
M.No. 83450

(CS RICHA ARORA)
Company secretary
M.No. :-42906

(CA LAV AGARWAL)
Chief Financial Officer
M.NO.-536963

Place : Noida
Dated : 25.05.2016

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2016

1. ACCOUNTING POLICIES

a. Method of Accounting

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 prescribed in the Companies (Accounting Standards) Rules, 2016 issued by the Central Government in consultation with the National Advisory Committee on Accounting Standard and in accordance with the relevant provisions of the Companies Act, 2013 to the extent applicable.

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. Fixed Asset

Tangible Assets

(i) Fixed asset 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.

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

Intangible Assets

(i) 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.

d. Depreciation

Depreciation on fixed assets is provided on depreciable value of assets using straight-line method on the basis of useful life specified in Part C of Schedule II to the Companies Act, 2013.

Depreciation on addition/deletion to the fixed assets is provided for the proportionate useful life of the fixed asset.

The net balance of cost and the provision of depreciation on the asset, whose useful life has expired as on 01.04.2014 as prescribed in Part 3 of Schedule II of the Companies Act, 2013 has been charged from Retained Earnings.

e. Valuation of stock of securities

Stock of securities is valued at lower of cost and market price. However, there is no stock on year ending.

f. Valuation of the Investments

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

g. 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.

h. 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.

i. Provisions, Contingent Liabilities and Contingent Assets

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.

j. 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.

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. 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.

m. 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.

n. Segment Reporting

The company operates in one geographical segment, i.e. India and has identified two business segments i.e. Segment-I which is Consultancy Commission & Brokerage and Segment-II Investments in Bonds, Fixed Deposits & Loans & Advances. 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.

o. 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.

The company holds a leasehold land and the amount of lease rentals and interest cost on installment is added to the cost of the land.

p. 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.

2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2016

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

2.1. SHARE CAPITAL

(Amount in Rs.)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Nos.	Amount	Nos.	Amount
AUTHORISED				
Equity Shares of Rs.10/- each	1,00,00,000	100,000,000	1,00,00,000	100,000,000
ISSUED, SUBSCRIBED & PAID-UP				
Equity shares of Rs.10/- each fully paid up	7,186,689	71,866,890	7,186,689	71,866,890
Total	**7,186,689**	**71,866,890**	**7,186,689**	**71,866,890**

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

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2016 and March 31, 2015 is set out below -

(Amount in Rs.)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Nos.	Amount	Nos.	Amount
No. of share at the beginning	7,186,689	71,866,890	7,186,689	71,866,890
Add - Shares issued during the year	-	-	-	-
Less - Shares buyback during the year	-	-	-	-
No. of share at the end	7,186,689	71,866,890	7,186,689	71,866,890

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

Particulars	As at 31.03.2016		As at 31.03.2015	
	Nos.	%	Nos.	%
Mr Rakesh K Jain	1,465,910	20.40	865,910	12.05
Hope Consultants Limited	2,715,043	37.78	3,315,043	46.13
Frontline Capital Services Limited	375,000	5.22	375,000	5.22
Total	**4,555,953**	**63.40**	**4,555,953**	**63.40**

Proposed Dividend

Particulars	As at 31.03.2016	As at 31.03.2015
Dividend per Share on shares of Rs. 10 each	**0.50**	**1.00**
Dividend Proposed %	**5.0**	**10.0**

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

Buy-back of Equity Shares

Company had brought Back of 23,75,000/- fully paid Equity Shares having face Value of Rs. 10/- each from its Equity shareholders on a proportionate basis through "Tender Offer" route in Financial year 2013-14 at a price of Rs. 32.50/- per equity shares.

2.2 RESERVES AND SURPLUS

		As at 31.03.2016	As at 31.03.2015
A)	**General Reserves**		
	Opening Balance	5,047,852	5,047,852
	(+) Current year transfer	-	-
	Closing Balance	**5,047,852**	**5,047,852**
B)	**Security Premium Account**		
	Opening Balance	**23,754,125**	23,754,125
	(+) Current year transfer	-	
	Closing Balance	**23,754,125**	**23,754,125**
C)	**RBI Reserve**		
	Opening Balance	**80,312,659**	70,766,285
	(+) Current year transfer	7,079,497	9,546,374
	Closing Balance	**87,392,156**	**80,312,659**
D)	**Capital Redemption Reserve**		
	Opening Balance	**23,182,610**	23,182,610
	(+) Current year transfer	-	
	Closing Balance	**23,182,610**	**23,182,610**
D)	**Surplus**		
	Opening Balance	**160,688,935**	131,475,582
	(+) Net Profit/ (Net Loss) for the current year	35,397,485	47,731,870
	(-) Proposed Dividend	(3,593,345)	(7,186,690)
	(-) Proposed Dividend Tax	(751,901)	(1,436,915)
	(-) Transfer to RBI Reserves	(7,079,497)	(9,546,374)
	(-) Contingency Provision against Standard Assets	(40,036)	(9,834)
	(-) Impact of depreciation pursuant to adoption of useful lives as per Part C of Schedule II of the Companies Act, 2013 and management estimate of useful lives (Refer significant Accounting Policies Note 1(c)	-	(374,273)
	(-) Short provision made in the previous year	(26,126)	35,568
	Closing Balance	**184,595,514**	**160,688,935**
	Grand Total	**323,972,256**	**292,986,180**

The Board of Directors at its meeting held on May 25, 2016 has recommended a final dividend of 5% (Rs. 0.5 per equity share of Rs.10/- each) for the F.Y. 2015-16 subject to the approval of shareholders.

2.3 LONG TERM BORROWING

(Amount in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
Deferred Payment Liabilities:-		
Payable to Greater Noida Authority for Land	16,559,439	18,793,587
	16,559,439	**18,793,587**

2.4 LONG TERM PROVISIONS

(Amount in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
Contingency Provision against Standard Assets		
Opening	104,565	94,731
Add: during the year	40,036	9,834
Total	**144,601**	**104,565**

2.5 OTHER LONG TERM LIABILITIES

(Amount in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
Security Deposit	259,000	259,000
Security Deposit from Contractor for Noida Property	669,100	-
	928,100	**259,000**

2.6 TRADE PAYABLE

(Amount in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
Sundry Creditors	-	35,667
Commission & Brokerage Payable (Net)	734,433	853,581
	734,433	**889,248**

2.7 OTHER CURRENT LIABILITIES

(Amount in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
Expenses Payable	691,185	259,011
TDS payable	143,732	63,550
Unclaimed Dividend	1,192,399	1,007,749
	2,027,316	**1,330,310**

There is no amounts due for the payment to the Investor Education and Protection Fund under section 124 of the Companies Act, 2013 as at the year end in respect of Unpaid Dividend

2.8 SHORT TERM PROVISIONS

(Amount in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
Gratuity Payable	277	57,414
Proposed Dividend	3,593,345	7,186,690
Corporate Dividend tax	751,901	1,436,915
Provision for income tax	129,283	-
	4,474,806	**8,681,019**

2.9 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2015	Addition during the year	Deduction during the year	As at 31.03.2016	As at 01.04.2015	Provided during the year	Adjusted during the year	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
(i) Tangible Assets										
Leasehold Land	4,77,15,474	24,07,742	-	5,01,23,216	-	-	-	-	5,01,23,216	4,77,15,474
Building	43,19,000	-	-	43,19,000	9,87,518	1,78,100	-	11,65,618	31,53,382	33,31,482
Office Equipments	1,19,800	17,849	-	1,37,649	64,184	48,438	-	1,12,622	25,027	55,616
Computer Equipments	1,13,150	28,300	-	1,41,450	2,364	21,614	-	23,978	1,17,472	1,10,786
Furniture & Fixture	2,38,610	-	-	2,38,610	1,10,886	19,743	-	1,30,629	1,07,981	1,27,724
Vehicles	6,01,829	-	-	6,01,829	3,29,699	77,699	-	4,07,398	1,94,431	2,72,130
(ii) Intangible Assets										
Software	5,36,534	-	-	5,36,534	2,52,425	64,952	-	3,17,377	2,19,157	2,84,109
(iii) Capital Work in Progress										
Building Work in Progress on Leasehold Land	1,17,000	1,36,99,029	-	1,38,16,029	-	-	-	-	1,38,16,029	1,17,000
Total	**5,37,61,398**	**1,61,52,920**	-	**6,99,14,317**	**17,47,077**	**4,10,547**	-	**21,57,623**	**6,77,56,695**	**5,20,14,322**
Previous Year	**5,21,86,514**	**30,65,250**	**14,90,366**	**5,37,61,398**	**24,90,406**	**3,72,764**	**11,16,093**	**17,47,077**	**5,20,14,322**	**4,96,96,108**

Notes:

1. **Leasehold land has been taken from Greater Noida authority during the year 2011-2012**

2.10 NON CURRENT INVESTMENTS

(Amount in Rs.)

	Scrip Name	Face Value	As At 31.03.2016 Nos. of Shares/Units	Value	As At 31.03.2015 Nos. of Shares/Units	Value
(i)	**Unquoted Investments**					
	Systma Shyam Teleservices Limited	10	154,830	1,228,100	154,830	1,228,100
	Jord Eng	10	100	-	100	-
	Ballmer lawerie cont. ltd	10	200	210	200	210
	Total (A)		**155,130**	**1,228,310**	**155,130**	**1,228,310**
(ii)	**Quoted (Non Trade Investments)**					
	ACC Limited	10	5,000	7,171,281	4,000	5,799,149
	Amara Raja Batteries Limited	1	2,250	1,346,896	5,000	2,439,483
	Amtek Auto Limited	2	45,000	1,943,465	-	-
	Amtek India Limited	2	-	-	20,000	997,380
	Andhara Cement Limited	10	1,245,000	7,542,089	39,784	332,848
	Asian Paints	1	2,000	1,609,351	-	-
	Atul Ltd	10	-	-	3,000	3,571,746
	Axis bank Ltd	2	500	276,412	7,500	2,970,524
	Bank of Baroda	2	7,250	1,040,213	33,750	6,222,529
	BATA India	5	9,000	4,320,203	-	-
	Bayer Cropscience Limited	10	950	2,491,026	1,800	4,296,567
	Bharat Forge Limited	2	2,000	1,899,689	3,000	3,784,406
	BLISS GVS Pharma Ltd.	1	2,500	330,887	-	-
	Britannia Industries Ltd	2	1,600	3,155,157	1,300	2,211,399
	CAIRN India Ltd.	10	37,500	5,041,681		
	Canara Bank Lrd	10	6,000	1,412,687	-	
	Carborundum Universal Ltd	1	-	-	12,964	2,271,995
	Cipla Limited	2	-	-	3,100	1,786,927
	Colgate Palmolive India Ltd.	1	2,050	1,971,294	-	-
	Container Corporation of India Ltd.	10	-	-	4,500	6,124,393
	Corporation Bank	2	20,000	910,759	-	-
	Development Credit Bank Limited	10	22,500	2,241,484	27,500	2,450,217
	Divi's Laboratories Ltd	2	-	-	500	728,233
	Dr Reddy's Laboratories Limited	5	-	-	1,250	3,308,634
	Emami Limited	1	500	221,927	1,000	439,825
	Exide Induatries Limited	1	20,000	3,141,582	12,500	1,852,910
	The Federal Bank Limited	2	185,000	10,502,962	20,000	2,765,912
	Gateway Distriparks Ltd	10	8,000	2,767,034	8,000	2,048,205
	Godfrey Phillips India Limited	2	-	-	12,100	6,021,060
	Godrej Consumer Products Limited	1	-	-	4,000	3,126,562
	Great Eastern Shipping Co Limited	10	-	-	1,000	348,886
	Gruh Finance Limited	2	-	-	2,500	-

HDFC Bank Ltd	2	5,000	5,176,363	-	-
HDFC LTD	2	1,500	1,722,565	1,500	1,527,375
Hindustan Zinc Limited	2	6,000	962,179	11,000	1,632,998
ICICI Bank Limited	2	40,000	10,391,974	14,500	4,321,118
IDFC Ltd.	10	86,500	6,953,633	-	-
IDFC Bank Limited	10	67,500	2,581,411	-	-
Indiabulls Housing Finance Limited	2	-	-	9,500	3,594,014
Indian Oil Corporation Limited	10	-	-	12,000	4,308,740
Infosys Limited	5	3,000	2,710,876	1,000	1,691,456
Intellect Design Arena Limited	5	-	-	9,500	-
IPCA Laboratories Limited	2	-	-	1,500	1,256,180
ITC Ltd	1	-	-	3,000	971,821
J.K. Cement Limited	10	5,000	2,819,821	1,000	709,116
Udaipur Cement Works Limited	4	10,100	9,595	10,100	9,595
Jindal Steel & Power Limited	1	20,000	1,697,964	32,500	5,828,932
JK Lakshmi Cement Limited	5	12,500	4,520,827	16,500	5,219,009
JK Tyre & Industries Limited	2	20,000	2,011,970	-	-
JSW Energy Limited	10	-	-	10,000	547,428
Kotak Mahindra Bank Limited	5	10,000	6,598,794	2,500	3,309,237
Larsen Turbo Limited	2	500	822,466	1,250	1,831,523
Lumax Automotive Systems Ltd	10	50	0	50	0
Lupin Limited	2	1,000	1,325,696	1,500	1,803,813
Marico Ltd.	1	5,750	1,359,246	-	-
Mawana Sugars Limited	10	-	-	31,000	195,966
Mind Tree Consulting Limited	10	-	-	2,400	1,728,874
Minda Industries Limited	10	-	-	3,500	2,001,524
Moil Limited	10	4,500	1,058,599	11,000	3,209,963
Mother Son Sumi Systems Limited	1	1,000	-	7,000	2,024,232
Network18 Media & Inv. Ltd.	5	65,000	3,248,333	-	-
Neuland Laboratories Ltd.	10	2,000	1,361,380	-	-
NTPC Ltd	10	12,400	1,850,097	23,500	3,192,295
Oil India Limited	10	-	-	1,500	749,898
ONGC Ltd	5	2,000	622,041	14,000	4,395,613
Phoenix Lamps Ltd.	10	65,000	7,008,218	-	-
Pidilite Industries Limited	1	9,250	3,836,448	11,000	3,948,354
Polyplex Corporation Limited	10	-	-	5,408	929,843
Proctoer & Gamble Limited	10	-	-	401	1,234,260
Rallis India Limited	1	7,000	1,537,143	20,000	4,293,550
Reliance Capital Limited	10	60	0	60	-
Reliance Industries Limited	10	2,000	1,781,399	3,000	2,626,970
Reliance Power Limited	10	300	0	300	-
Ruchira Paper Limited	10	10,000	234,242	53,505	1,253,005
Sanofi India Limited	10	-	-	800	2,170,125
Seimens Ltd.	2	1,000	1,057,315	-	-
Shree Cement Limited	10	75	693,670	200	1,539,959

SKFINDIA	10	5,500	7,037,608	-	-
The South Indian bank Ltd.	1	155,000	2,920,349	-	-
State Bank of India	1	3,500	858,208	11,500	3,166,134
Steel Authority of India Limited	10	55,000	3,456,455	35,000	2,684,940
Sun Pharma Ceuticals Industries Ltd	1	3,000	2,377,300	-	-
TATA Chemicals Ltd.	10	24,000	9,352,398	-	-
Tata Consultancy Services Limited	1	250	640,393	500	1,086,317
TATA Moters Ltd.	2	2,000	658,403	-	-
TATA Steel Ltd.	10	11,500	2,693,603	-	-
Tech Mahindra Limited	5	6,500	3,705,433	4,000	2,220,615
The Shipping Corp of India Limited	10	-	-	75,000	3,941,363
Trent Limited	10	-	-	1,750	2,112,174
TVS Srichakara Ltd.	10	490	1,205,426	-	-
UJAAS Energy Ltd	1	20,000	367,445	-	-
Ultratech Cement Limited	10	750	1,918,109	1,000	2,484,408
Value Industries Limited	10	-	-	16,000	142,988
Vesuvius India	10	-	-	1,500	1,008,401
TOTAL (B)		**2,388,075**	**174,483,480**	**703,772**	**158,803,916**

(Amount in Rs.)

Scheme Name	As At 31.03.2016		As At 31.03.2015	
	Nos. of Shares/Units	Value	Nos. of Shares/Units	Value
MUTUAL FUND				
LIQUID/DEBT-GROWTH				
HDFC Liquid Fund - Growth	-	-	10,127	276,069
ICICI Prudential Savings Fund - Growth	-	-	12,080	2,500,000
ICICI Prudential Ultra Short Term	57,600	851,969	-	-
UTI Liquid Cash Plan Institutional - Growth Option	-	-	21	43,237
Canara Robeco Floating Rate Short Term Growth Fund	-	-	-	-
Canara Robeco Treasury Advantage Super Instt - Growth	10,629	18,561,086	15,026	26,197,313
HDFC Cash Managament Fund-Saving Plan-Growth	801	2,490,336	-	-
DWS Insta Cash Plus Fund Super Institutional Plan - Bonus	-	-	-	-
ICICI Prudential Liquid Plan - Regular Plan - Growth Option	9,764	1,942,996	47,052	8,808,162
Reliance Medium Term Fund Growth Plan	-	-	-	-
Reliance Money manager Fund - Inst Option - Growth Plan	2,600	5,105,160	3,261	6,200,376
SBI Short Horizon Debt Fund - Ultra Short - Growth	-	-	-	-
UTI Treasury Advantage Fund Institutional Plan - Growth	2,283	3,578,932	6,081	9,519,092
Reliance Liquid Fund - Growth Plan	216	755,564	598	2,010,219
Franklin US Opportunities Fund	258,894	4,270,298	-	-
MUTUAL FUND-Gilt				
HDFC Gilt fund Long Term Growth	58,846	1,700,000	-	-
ICICI Prudential Gilt Fund Investment Growth	83,761	4,100,000	-	-
Reliance Gilt Securities Fund Institutional Plan Growth Option	368,866	6,750,000	-	-
Templeton India Govt. Sec. Fund-Long Term Plan Growth	126,979	4,250,000	-	-
UTI Gilt Advantage Long Term Growth	254,328	7,900,000	-	-
MUTUAL FUND-EQUITY				
Birla Sunlife Equity Fund Plan - Dividend Option	49,185	5,000,089	64,428	6,500,000
Birla Sun Lfe MNC Fund	12,017	2,000,000	-	-
Birla Sun Life Pure Value Fund- Dividend Option	49,476	1,200,000	-	-
Canara Robecco Equity Diversified - Dividend	-	-	73,357	2,500,000
DSP Blackrock Focus25 Fund- Dividend	221,140	2,700,000	-	-
DSP Blackrock Opportunities Fund - Regular	-	-	90,223	2,500,000
DSP Blackrock Small and Mid Cap Fund Regular Plan-Dividend	137,637	2,800,000	-	-
Franklin India High Growth Companies Fund	59,514	1,500,017	166,392	4,000,000
Franklin India Prima Plus-Dividend	114,371	3,850,000	24,357	750,000
Franklin India Smaller Companies Fund-Dividend	50,122	1,250,000	-	-
HDFC Prudence Fund - Dividend	-	-	76,392	2,500,000
ICICI Prudential Banking and financial Services fund-Retail Fund	26,110	700,000	-	-
ICICI Prudential Technonology Fund-Dividend	80,803	2,600,000	-	-
ICICI Prudential Value Discovery Fund-Dividend	97,731	2,850,000	27,095	750,000
Reliance Diversified Power Sector Fund - Dividend	-	-	58,135	1,476,958

Reliance Banking Fund - Dividend	-	-	26,795	975,197
Reliance Equity Opportunities Fund - Dividend	-	-	26,440	750,000
Reliance Pharma Fund - Dividend Plan	50,531	3,753,267	36,169	2,250,000
Reliance Vision Fund-DIVIDEND PLAN-D	-	-	49,564	2,500,000
UTI Banking Sector Fund-Income Option	19,353	500,000	-	-
UTI Mid Cap Fund-Income Option	40,146	1,500,000	40,146	1,500,000
UTI OPPORTUNITIES FUND - DIVIDEND PLAN	-	-	45,690	750,000
Total (C)	**2,243,703**	**94,459,667**	**899,427**	**85,256,624**
Bonds				
01006 GOI 2021	50,000	5,910,720	50,000	5,910,720
6.9% GOI 2019 (Central Govt. Loan 09009)	5,000	498,529	5,000	498,529
Central govt.Loan 07003 GOI	62,000	6,244,801	62,000	6,244,801
National Thermal Power Corporation - NCD	23,500	-	23,500	-
Total (D)	**140,500**	**12,654,050**	**140,500**	**12,654,050**
Total (A+B+C+D)		**282,825,507**		**257,942,900**

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

Notes:

a. Aggregate cost of unquoted investment is Rs. 1,228,310/- (Previous year Rs 12,28,310/-)

b. Aggregate cost of quoted investment is Rs. 17,44,83,480/- (previous year Rs 15,88,03,916/-)

c. Aggregate cost of mutual fund is Rs. 9,44,59,720/- (Previous year Rs. 8,52,56,624/-)

d. Market value of quoted Investment is Rs. 17,36,86,441 /-(Previous year Rs. 18,52,87,093/-)

e. Market value of Mutual Fund is Rs. 7,04,29,309/- (Previous Year Rs. 9,58,93,790/-)

f. No provision has been made for reduction if any in market value as the same is temporary in nature.

2.11 LONG TERM LOANS AND ADVANCES

(Amount in Rs.)

Particulars	As At 31.03.2016	As At 31.03.2015
Loans - Intercorporate	7,069,019	6,251,316
MAT credit	3,490,354	555,925
	10,559,373	**6,807,241**

2.12 CURRENT INVESTMENTS

(Amount in Rs.)

Scheme Name	As At 31.03.2016		As At 31.03.2015	
	Nos. of Units	Value	Nos. of Units	Value
MUTUAL FUND LIQUID - FMP				
UTI FTIF Series XVIII -VII (368 DAYS)- Growth Option	-	-	750,000	7,500,000
Reliance Fixed Horizon Fund- XXVI- Growth Option	-	-	800,000	8,000,000
Franklin India Feeder - Growth Option	-	-	258,894	4,270,298
DSP BlackRock FMP – Series 150 - Growth Option	-	-	250,000	2,500,000
DSP BlackRock FMP – Series 154 - Growth Option	-	-	25,000	250,000
ICICI Prudential Fixed Maturity Plan-Series 73-391 Days	-	-	150,000	1,500,000
	-	**-**	**2,233,894**	**24,020,298**

a. Aggregate cost of mutual fund is Rs. 0/- (Previous year Rs. 2,40,20,298/-)
b. Market value of Mutual Fund is Rs. 0/- (Previous Year Rs 2,67,32,768/-)

2.13 CASH AND BANK BALANCES

(Amount in Rs.)

Particulars	As At 31.03.2016	As At 31.03.2015
a. Cash and cash equivalents		
i. Balances with banks		
In Current Account	294,825	906,277
In Special Account	1,000	1,000
ii. Cash in hand	6,602	17,239
	302,427	924,516
b. Other Bank balances		
i. In Unpaid Dividend Account	1,192,399	1,007,749
ii. Short Term Bank deposits	12,500,000	12,500,000
	13,994,826	**14,432,265**

2.14 SHORT TERM LOAN & ADVANCES

(Amount in Rs.)

Particulars	As At 31.03.2016	As At 31.03.2015
Loan & Advances Recoverable in Cash or in Kind or for value to be received and consider as good		
Advance Tax/TDS	265,032	265,032
Loan - Intercorporate	41,131,585	35,574,812
Staff Loan	50,500	-
	41,447,117	**35,839,844**

2.15 OTHER CURRENT ASSETS

(Amount in Rs.)

Particulars	As At 31.03.2016	As At 31.03.2015
Prepaid Exp	33,333	102,470
Security Deposits	45,600	20,600
Interest Accrued But Not received	664,786	602,844
Amount Recievable from Brokers	1,942,119	1,357,150
	2,685,838	**2,083,064**

2.16 REVENUE FROM OPERATIONS

(Amount in Rs.)

Particulars			For the year ended 31.03.2016		For the year ended 31.03.2015
Commission & Brokerage				3,866,123	18,277,402
Income from consultancy				300,000	700,000
Profit / (Loss) from Speculation (Net)				-	-
Interest					
-	Interest on Tax Free Bonds	25,144		539,500	
-	On Loans & Bonds	7,955,988		5,679,362	
-	On Bank Deposits	1,025,432	9,006,564	1,399,557	7,618,419
			13,172,687		**26,595,821**

2.17 OTHER INCOME

(Amount in Rs.)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Rent Received	349,800	318,000
Miscellaneous Income	35,034	1,600
Profit on Sale of Investment (Net)	29,267,057	34,540,001
Dividend on Non Trade Securities	5,164,434	4,353,088
	34,816,325	**39,212,689**

2.18 EMPLOYEES BENEFIT EXPENSES

(Amount in Rs.)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Salary, Wages & Other Benefits	2,616,363	2,438,762
Contribution to Provident Fund & Other Funds	89,091	89,149
Staff Welfare	150,678	38,945
Gratuity	276	79,587
	2,856,408	**2,646,443**

2.19 FINANCE COSTS

(Amount in Rs.)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Bank charges	682	6,196
Interest paid	5,535	7,359
	6,217	**13,555**

2.20 ADMINISTRATIVE & OTHER EXPENSES

(Amount in Rs.)

Particulars		For the year ended 31.03.2016		For the year ended 31.03.2015
Printing & Stationery		91,126		136,309
Advertisement		90,000		84,705
Postage & Telegram		17,156		31,211
Repairs & Maintenance		57,465		84,803
Office Maintenance Exp.		24,198		27,122
Donation Paid				
- CSR Donations	10,10,000		925,000	
- Other Donations		10,10,000	10,00,000	19,25,000
Travelling & Conveyance		84,841		151,849
Payment to Auditors				
- Statutory Audit Fee	21,000		20,500	
- Tax Audit Fee	8,000		8,000	
- Secretarial Audit Fee	10,000	39,000	-	28,500
Professional Charges		2,291,111		2,262,394
Rent Exp		136,672		123,708
Telephone & Internet Expenses		29,178		27,956
AGM Expenses		163,983		140,068
Vehicle Running & Maintenance Expenses		13,094		33,000
STT Charges		292,551		308,045
Other Expenses		478,147		534,517
		4,818,521		**5,899,187**

2.21 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:

Hope Consultants Ltd.

(iv) Individual having significant influence or control

Mr Rakesh K Jain

(v) Relatives of individual having significant influence or control

Ms. Aridhi Jain

(vi) Key Management Personnel:

Mr. Gauri Shanker Pandey (Whole Time Director)

Ms. Ekta Karwa (Company Secretary Resigned Effective from 29.07.2015)

Mr. Yatendra Singh Pal (Company Secretary Resigned Effective from 11.02.2016)

Ms. Richa Arora (Company Secretary Appointed Effective 26.02.2016)

Ms. Bhawna Grover (Chief Financial Officer Resigned Effective from 11.05.2016)

Mr. Lav Agarwal (Chief Financial Officer Appointment Effective from 11.05.2016)

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

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

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

(Amount in Rs.)

	Nature of Transactions	Relatives of individual having significant influence or Control	Key managerial personnel	Transaction with the companies/ enterprises have significant influence or control	Total A+B+C
		(A)	(B)	(C)	
1.	**Rent Received**				
	- Current Year	349,800	-	-	**349,800**
	- Previous Year	318,000	-	-	**318,000**
2.	**Remuneration paid to key managerial personnel**				
	- Current Year	-	1,416,082	-	**1,416,082**
	- Previous Year	-	1,278,364	-	**1,278,364**
3.	**Rent paid**				
	- Current Year	-	-	136,672	**136,672**
	- Previous Year	-	-	123,708	**123,708**
4.	**Brokerage paid**				
	- Current Year	-	-	515,856	**515,856**
	- Previous Year	-	-	489,360	**489,360**
		349,800	**1,416,082**	**652,528**	**2,418,410**
	Security Deposit - Asset				
	- Current Year	159,000	100,000		**259,000**
	- Previous Year	159,000	100,000		**259,000**
	Remuneration Payable				
	- Current Year	-	106,165		**106,165**
	- Previous Year	-	84,720		**84,720**
	Amount receivable from Brokers				
	- Current Year			1,942,119	**1,942,119**
	- Previous Year			1,357,150	**1,357,150**

2.22 QUANTITATIVE DETAILS

The Company is engaged in financial consultancy, distribution of financial products and investments in financial securities. As the company is niether a manufacturing company nor a trading company therefore the requirement of Quantative Detail of Purchases and Sales are not applicable.

2.23 DUES TO MICRO SMALL AND MEDIUM ENTERPRISES

The company has no dues to micro and small enterprises during the year ended 31 March, 2016 and March 31, 2015.

2.24 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	Percentage	Previous Year
Actuarial assumptions				
Discount Rate Per Annum	8%		8%	
Salary Escalation	6%		6%	
Reconciliation of opening and				
Obligation at beginning of the year		545,119		529,202
Current Service Cost		28,771		34,580
Interest Cost		43,610		42,336
Actuarial (gain) /loss		(65,408)		(60,999)
Less: Benefits paid		-		-
Obligation at the end of the year		**552,092**		**545,119**
Reconciliation of opening and				
Fair value of plan assets at		600,675		516,795
Employer contribution		57,095		34,580
Less: Benefits Paid		-		-
Add: Expected return on plan assets		54,194		49,300
Fair value of plan assets at the end of the		**711,964**		**600,675**
Amount Recognized in Balance Sheet				
Present value of obligation		552,092		545,119
Fair value of plan assets		711,964		600,675
Amount recognized in Balance Sheet				
(Unfunded)		**(159,872)**		**(55,556)**

Gratuity cost for the period		
Current Service Cost	28,771	34,580
Interest Cost	43,610	42,336
Expected return on plan assets	(54,194)	(49,300)
Actuarial (gain) /loss	(65,408)	(60,999)
Net Gratuity cost	**(47,221)**	**(33,383)**

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 on suo moto has recognised the gratuity expense of Rs. 276 in FY 15-16.**
2. **As per the prudence concept, the company has not recognised asset of gratuity in the balance sheet for FY 15-16. The amount of premium paid to LIC for the purpose of gratuity amounting to Rs 276 is booked as gratuity payable during the year.**

2.25 DEFERRED TAX BALANCES

(Amount in Rs.)

	Particulars	**For the year ended 31.03.2016**	**For the year ended 31.03.2015**
a.	Deferred Tax Liabilities (Net)		
(i)	Depreciation	-	-
(ii)	Others	-	-
		-	-
b.	Deferred Tax Assets (Net)		
(i)	Others	2,330,928	2,759,467
(ii)	Depreciation	(892,443)	(988,601)
		1,438,486	**1,770,866**

2.26 SEGMENT REPORTING

(Amount in Rs.)

The company operates in one geographical segment, i.e. India and has identified two business segments i.e. Segment-I which is Consultancy Commission & Brokerage and Segment-II Investments in Bonds, Fixed Deposits & Loans & Advances. 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	Unallocated	Total
Segment Revenue (A)				
- Current Year	3,866,123	9,006,563	35,116,326	47,989,012
- Previous Year	18,117,402	7,937,217	39,753,891	65,808,510
Segment expense (B)				
- Current Year	3,189,297	3,189,297	1,302,551	7,681,146
- Previous Year	3,149,176	3,149,176	2,261,509	8,559,861
Depreciation				
- Current Year	0	205,273	205,273	410,547
- Previous Year	0	186,382	186,382	372,763
Segment Result (A) - (B)				
- Current Year	**676,826**	**5,611,993**	**33,608,502**	**39,897,319**
- Previous Year	**14,968,226**	**4,601,660**	**37,306,001**	**56,875,886**
Segment Assets (A)				
- Current Year	0	107,923,027	312,784,814	420,707,841
- Previous Year	0	69,365,347	325,545,454	394,910,800
Segment Liabilities (B)				
- Current Year	931,614	680,281	23,256,799	24,868,694
- Previous Year	466,916	738,756	28,852,056	30,057,729
Total (A) - (B)				
- Current Year	(931,614)	107,242,746	289,528,015	395,839,147
- Previous Year	(466,917)	68,626,591	296,693,398	364,853,071
Capital Expenditure				
- Current Year	-	8,076,460	8,076,460	16,152,920
- Previous Year	-	115,842	2,949,408	3,065,250

2.27 EARNING PER SHARE

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

	Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
(i)	Profit attributable to Equity Share Holders	35,397,485	47,731,870
(ii)	Weighted average number of equity shares for computations of Basic and Diluted Earning per share	7,186,689	7,186,689
(iii)	Nominal Value of Equity Share	10	10
(iv)	EPS- Basic and Diluted	4.93	6.64

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

2.28 Payment to Auditor

(Amount in Rs.)

	Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
A)	Auditor		
(i)	Statutory Audit Fees	21,000	20,500
(ii)	Tax Audit Fees	8,000	8,000
		29,000	**28,500**

2.29 Capital & Other Commitments

a) Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances) Rs. 277.66 Lacs(March,2015 of Rs. Nil).

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

For J. JAIN & COMPANY
Chartered Accountants
Firm's Registration Number : 004208N

(RAKESH K. JAIN)
Director
DIN : 00050524

(GAURI SHANKER PANDEY)
Director
DIN : 00050614

(JAYANTI JAIN)
Partner
M.No. 83450

(CS RICHA ARORA)
Company secretary
M.No. :-42906

(CA LAV AGARWAL)
Chief Financial Officer
M.NO.-536963

Place : Noida
Dated : 25.05.2016

2.30.		**[Schedule to the Balance sheet of a Non Banking Financial company as required in terms of paragraph 13 of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007]**		
LIABILITIES SIDE				
1		**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:**	**Amount Outstanding**	**Amount Overdue**
	a.	Debentures (other than falling within the meeting of public deposits)		
		- Secured	-	-
		- Unsecured	-	-
	b.	Deferred Credits (Note No.1)	16,559,439	-
	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		48,200,604
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:** **Current Investments**		**Amounts**
	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	174,483,480
		- Preference	
	ii.	Debentures and Bonds	12,654,050
	iii.	Units of mutual funds	94,459,667
	iv.	Government Securities	-
	v.	Others	-
	2	**Unquoted**	
	I.	Share – Equity	1,228,310
		- Preference	-
	ii.	Debentures and Bonds	-
	iii.	Units of mutual funds	-
	iv.	Government Securities	-
	v.	Others	-

6	**Borrower group wise classification of all leased assets, stock on hire and loans and advances (Refer note 3 below);**				
	Category		**Amount net of provision**		
			Secured	**Unsecured**	**Total**
	1	Related Parties**	-	-	-
	a.	Subsidiaries	-	-	-
	b.	Companies in the same group	-	-	-
	c.	Other than related parties	-	48,200,604	48,200,604
		Total	-	**48,200,604**	**48,200,604**

7	Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (Refer note 4 below)			
	Category		**Market Value / Break up of fair value or NAV**	**Book Value (Net of Provisions)**
	1	Related Parties**		
	a.	Subsidiaries	-	-
	b.	Companies in the same group	-	-
	c.	Other related parties	-	-
	2	Other than related parties	287,462,484	282,825,507
		Total	**287,462,484**	**282,825,507**
	** As per Accounting Standard issued by the Institute of Chartered Accountants of India ('ICAI').			
8	**Other Information**			**Amount**
	i.	Gross Non-Performing Assets		
	a.	Related Parties		-
	b.	Other than related parties		-
	ii.	Net Non-Performing Assets		
	a.	Related Parties		-
	b.	Other than related parties		-
	iii.	Assets acquired in satisfaction of debt		-

Notes:

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

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

For J. JAIN & COMPANY
Chartered Accountants
Firm's Registration Number : 004208N

(RAKESH K. JAIN)
Director
DIN : 00050524

(GAURI SHANKER PANDEY)
Director
DIN : 00050614

(JAYANTI JAIN)
Partner
M.No. 83450

(CS RICHA ARORA)
Company secretary
M.No. :-42906

(CA LAV AGARWAL)
Chief Financial Officer
M.NO.-536963

Place : Noida
Dated : 25.05.2016

SHAREHOLDER INFORMATION FORM

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

To,

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

Place:.....

Date:.....

Dear Sirs,

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

Members are requested to provide the below mentioned information:

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

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

Signature of the First Named / Sole Member

NOTE :

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

3rd Fold

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

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

Place:.....

Date:.....

Dear Sirs,

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

1. Folio No.: .....
   {Folio No. given in equity share certificate (s)}
2. Member's Name: Shri/Smt./Kum:.....
3. Member's Address: .....
   .....
3. Particulars of the Bank Account :
   Bank Name: .....
   Branch Name: .....
   Mention the 9-digit code number of the bank and branch appearing on the MICRCheque issued by the bank.....
   (Please attach a photocopy of a Cheque or a blank cancelled Cheque issued by your bank for verifying the accuracy of the code number)
   Account type (Please) Saving Current Cash Credit
   Account number (as appearing on the Cheque book):

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

Signature of the First Named /Sole Member

Note:
1. Please complete the form and send it to Register & Share Transfer Agent at the above address if you are holding share certificate(s) in physical form, latest by Monday, September 12, 2016.
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.
4. Subject to the rules and regulations of the Scheme of ECS of the Reserve Bank of India from time to time.

3rd Fold

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

1st Fold

2nd Fold

Sender's Name and Address

NO GIFTS WILL BE DISTRIBUTED AT THE AGM

Form No. MGT-11

PROXY FORM

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

CIN: L74899DL1994PLC058837

Name of the Company: Frontline Securities Limited

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

Name of the member(s): .....

Registered address: .....

E-mail Id: .....

Folio No/ Client Id: ..... DP ID: .....

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the company, to be held on Tuesday, the 20th day of September, 2016 at 9:45 a.m. at PHD House, Lakshmipat Singhania Auditorium, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi – 110016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1 Adoption of Audited Financial Statements for the financial year ended March 31, 2016
2 Declaration of dividend on the equity shares for the financial year ended March 31, 2016
3 Re-appointment of Mrs. Sarabjeet Kaur Kocher, Director, who retires by rotation
4 Ratification of appointment of M/s J. Jain & Company as Statutory Auditors

Signed this.....day of.....2016

1 Revenue Stamp

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

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

FRONTLINE SECURITIES LIMITED

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

ATTENDANCE SLIP

I hereby record my presence at the 22nd Annual General Meeting held at PHD House, Lakshmipat Singhania Auditorium, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110016 on Tuesday, the 20th September, 2016 at 9:45 a.m.

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

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

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

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

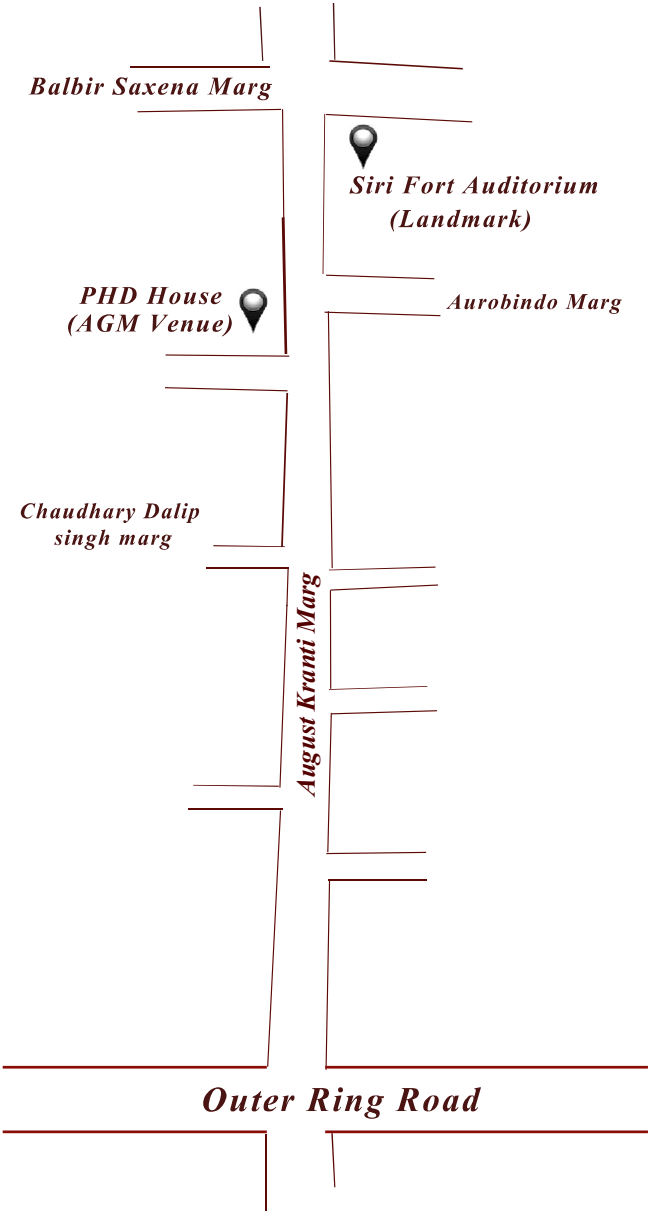
Regd. Folio No..... No. of Shares held.....

Signature of the Shareholder(s) or Proxy of Company Representative.....

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

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

Route Map for venue of AGM



If undelivered please return to :

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