

The value of achievement lies in achieving...

FRONTLINE
SECURITIES LIMITED

16th ANNUAL REPORT

2009-2010

FSL



CORPORATE INFORMATION

Board of Directors	Mr. Rakesh K. Jain, Chairman Dr. C.S. Bedi Mr. Atul K. Jain Mr. Arun K. Jain Mr. Baljit Singh Bedi Mrs. Sarabjeet Kaur
Company Secretary	Mrs. Sarabjeet Kaur
Auditors	J. Jain & Company Chartered Accountants M-19 B, Malviya Nagar New Delhi-110017
Registrar & Transfer Agent	Link Intime India Private Limited A-40, 2nd Floor Naraina Industrial Area Phase-II New Delhi-110028
Bankers	HDFC Bank, New Delhi
Registered Office	M-6, M-Block Market Greater Kailash-II, New Delhi - 110 048
Branch Office	B-22, Sector-4 Noida-201301
Website	www.fslindia.com

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NOTICE OF AGM

Notice is hereby given that the Sixteenth Annual General Meeting of the Company will be held on Monday, September 20, 2010 at 10.00 a.m. at Air Force Auditorium, Subroto Park, New Delhi to transact the following business: -

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended on that date and the Report of Auditors and Directors thereon.
- 2) To declare final dividend on the equity shares @ Rs. 0.50 per equity share for the year ended March 31, 2010.
- 3) To appoint a Director in place of Mr. Baljit Singh Bedi, who retires by rotation, and being eligible offers himself for reappointment.
- 4) To appoint Auditors and fix their remuneration.

By order of the Board

(Sarabjeet Kaur)
Director & Company Secretary

Place : Noida
Date : May 29, 2010

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
2. Corporate members intending to send their authorised representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at their meeting.
3. At the ensuing Annual General Meeting, Mr. Baljit Singh Bedi retires by rotation and being eligible offers himself for reappointment. The information or details to be provided in terms of Clause 49 of the Listing Agreement is provided in the Report on Corporate Governance available elsewhere in this Report. The Board of Directors of the Company recommends the said appointment.
4. M/s Link Intime India Private Limited, A-40, 2nd Floor, Naraina Industrial Area, Phase-II, New Delhi-110028 is the Registrar and Share Transfer Agent for physical shares of the Company. Intime is also the depository interface of the Company with both NSDL and CDSL.
5. 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 Follo Number(s). Members holding shares in electronic form may update such details with their respective Depository Participant(s).
6. The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, September 14, 2010, to Monday, September 20, 2010**, (both days inclusive).

The dividend on equity shares for the year ended March 31, 2010, if declared at this Meeting, will be paid:

- (i) in respect of shares held in electronic form, on the basis of beneficial ownership, at the close of Business hours on Tuesday, September 14, 2010 as per the details furnished by the National Stock Exchange Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

- (ii) to those Members, holding shares in physical form, whose names appear in the Register of Members of the Company, at the close of business hours on Monday, September 20, 2010 after giving effect to all valid transfers in physical form lodged with the Company before Tuesday, September 14, 2010.
- 7. Members / proxies should bring the attendance slips duly filled in and signed for attending the meeting.
- 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. till 1 p.m. on all working days at the registered office of the Company.
- 9. The Company has transferred unclaimed amounts of dividends paid upto March 31, 2000, 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. Members are therefore requested to encash their dividend warrants immediately for 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.
- 10. Payment of Dividend through ECS:
 - a. Members 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 Tuesday, September 14, 2010, to the Company Secretary at M-6, M-Block Market Greater Kailash-II, New Delhi-110048 or M/s Link Intime India private Limited at A-40, 2nd Floor, Naraina Industrial Area, Phase-II, New Delhi-110028.
 - b. Members holding shares in demat form are advised to inform the particulars of their bank account to their respective depository participants.
- 11. Members who hold shares in physical form may nominate a person in respect of all shares held by them whether singly or jointly. Members who hold shares singly are advised to avail of the nomination facility by filing Form 2B in their own interest. Blank forms will be provided by the Company on request. Members holding shares in demat form may contact their respective Depository Participants for recording of nomination.

12. 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.
13. Any queries relating to Accounts must be sent to the company at least 10 days before the date of the Annual General Meeting.

By order of the Board

(Sarabjeet Kaur)
Director & Company Secretary

Place : Noida

Date : May 29, 2010

DIRECTOR'S REPORT

To the Members,

The Directors take pleasure in presenting their Sixteenth Annual Report and Audited Accounts for the year ended March 31, 2010. Briefly stated the financial results of operations for the year ended March 31, 2010 are: -

FINANCIAL RESULTS

(Rs. In Lakhs)

Finances:	2009-2010	2008-2009
Gross Income	533.09	176.24
Profit before Depreciation & Taxation	454.42	117.65
Excess depreciation charged in previous year	2.10	-
Less:		
a) Depreciation for the year	(3.90)	(3.95)
b) Provision for Tax		
- Current Income Tax	(74.03)	(24.52)
- Fringe Benefit Tax	-	(0.42)
- Deferred Income Tax	(28.39)	24.12
- STT Charges	(1.77)	(0.88)
Add:		
a) Mat Credit C/f	8.21	-
Profit for the year after tax	356.64	112.00
Amount Transferred to RBI Reserve Fund	(71.33)	(22.40)
Profit after transfer to RBI Reserve Fund	285.31	89.60
Balance brought forward	1071.60	1009.48
Provision for Income Tax for earlier years	(0.91)	(1.03)

Provision for Gratuity written back	-	1.35
Profit available for appropriation	1356.00	1099.40
Proposed Dividend	(47.52)	(23.76)
Corporate Dividend Tax	(8.08)	(4.04)
Balance profit carried over to the Balance Sheet	1300.40	1071.60

PERFORMANCE OF THE COMPANY

During the year under review the Company has earned Profit before Tax of Rs.450.51 lakhs and Profit after Tax of Rs. 356.64 lakhs.

LISTING ON BOMBAY STOCK EXCHANGE

The Company has taken steps to get your shares listed at Bombay Stock Exchange and expect that the requisite approvals from Bombay Stock Exchange shall come soon. This will provide you trading platform on Bombay Stock Exchange.

DIVIDEND

Your directors have recommended dividend @ 5% (i.e. Rs. 0.50 per equity share on 95,04,950 Equity Shares of Rs 10/- each) for the financial year ended March 31, 2010. Dividend, if approved by the members at the forthcoming Annual General Meeting, will be paid -

- i) In respect of shares held in electronic form, on the basis of beneficial ownership, at the close of business hours on Tuesday, September 14, 2010, as per the details furnished by the National Stock Exchange Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
- ii) To those members, holding shares in physical form, whose names appear in the register of members of the Company, at the close of business hours on Monday, September 20, 2010 after giving effect to all valid transfers in physical form lodged with the Company before Tuesday, September 14, 2010.

FUTURE OUTLOOK

The year under review has seen growth in domestic as well as global markets. This has benefited the company both in investment activities, as well as in wealth management. However, in the last couple of months, we are witnessing turmoil in Europe which is impacting the global and also the market of India. Your company is adopting conservative investment policy besides stressing more on fee based business of wealth management and distribution of mutual funds. The company is in the process of strengthening its team for Mergers & Acquisitions. Barring unforeseen circumstances, the future outlook for the Company looks better.

DIRECTORS

In terms of Article 97, Mr. Baljit Singh Bedi, Director retires by rotation and being eligible offer himself for reappointment at the ensuing Annual General Meeting. Brief resume of the Director proposed to be reappointed, nature of his expertise in his specific functional areas, names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se, as stipulated under Clause 49 of the Listing Agreement are provided in the Report on Corporate Governance.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts for the financial year ended March 31, 2010, the applicable accounting standards have been followed along with proper explanations relating to material departures.
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review.
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.