

18th

**ANNUAL
REPORT**
2011-2012



FRONTLINE
SECURITIES LIMITED

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 202-H, Paras Bazar, Gali Ghante Wali Chandni Chowk, Delhi-110006
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 Eighteenth Annual General Meeting of the Company will be held on Monday, July 16, 2012 at 9.45 a.m. at Air Force Auditorium, Subroto Park, New Delhi to transact the following business: -

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and Profit and Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
- 2) To declare dividend on the equity shares for the financial year ended March 31, 2012.
- 3) To appoint a Director in place of Mr. Rakesh K. Jain, who retires by rotation, and being eligible offers himself for reappointment.
- 4) To appoint a Director in place of Mr. Atul K. Jain, who retires by rotation, and being eligible offers himself for reappointment.
- 5) To appoint M/s J. Jain & Company, Chartered Accountants (ICAI Regn No. 83450) as the Statutory Auditors of the Company to hold office from the conclusion of this 18th Annual General Meeting until the conclusion of the 19th Annual General Meeting of the Company and to authorize the Board of Directors to fix the remuneration of Auditors.

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

Place : Noida
Date : May 30, 2012

Sarabjeet Kaur
Whole-Time Director & Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING 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 to the Company 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. Rakesh K. Jain and Mr. Atul K. Jain retire by rotation and being eligible offer themselves for reappointment. The information or details to be provided in terms of Clause 49 of the Listing Agreement is provided in the Report on Corporate Governance available elsewhere in this Report. The Board of Directors of the Company commends the said appointments.
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 Folio 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, July 10, 2012, to Monday, July 16, 2012**, (both days inclusive).
7. Dividend on equity shares @7.5% on the paid-up equity share capital i.e. Rs. 0.75 per equity share as recommended by the Board of Directors, if declared by the shareholders at the 18th Annual General Meeting, will be paid to those shareholders whose names appear on the Register of Members of the Company as on July 10, 2012 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 July 09, 2012.

8. Members / proxies should bring the attendance slips duly filled in and signed for attending the meeting.
9. 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.
10. 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. Further, the Company has initiated the process of transfer of unclaimed dividend pertaining to the financial year 2004-2005 to the Investor Education and Protection Fund.

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.

11. Payment of Dividend through ECS:

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

- a. Shareholders holding shares in physical form are advised to submit particulars of their bank account in the ECS Mandate Form, annexed to this report latest by Monday, July 09, 2012, 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. Shareholders holding shares in demat form are advised to inform the particulars of their bank account to their respective depository participants.
12. 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.

13. 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.
14. Any queries relating to Accounts must be sent to the company at least 10 days before the date of the Annual General Meeting.
15. For effective communication, shareholders are requested to update their details as to address and e-mail ID. For shareholders holding shares in physical form, the same may be provided in '**Shareholder Information Form**' provided in the Annual Report. Shareholders holding shares in demat form are requested to update the same with their Depository Participant(s).

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

Place : Noida
Date : May 30, 2012

Sarabjeet Kaur
Whole-Time Director & Company Secretary

DIRECTOR'S REPORT

Dear Shareholders,

The Directors take pleasure in presenting their Eighteenth Annual Report and Audited Accounts for the year ended March 31, 2012.

FINANCIAL RESULTS

The financial performance of the Company, for the year ended March 31, 2012 is summarized below:

(Rs. in Lakhs)

	2011-2012	2010-2011
Profit before Depreciation and Amortization Expenses, Finance Costs and Tax Expenses	413.77	436.45
Less: Finance Costs	0.09	0.19
Depreciation & amortization expenses	4.08	3.78
Profit before tax	409.60	432.47
Less: Current Tax	98.11	82.64
Deferred Tax	(9.93)	(4.08)
MAT Credit	-	(6.31)
STT Charges	2.45	3.29
Profit for the year	318.97	356.94
Add: Balance in Profit & Loss Account	1498.94	1300.40
	1817.90	1657.34
Less: Appropriation:		
Transferred to RBI Reserve	63.79	70.90
Proposed Dividend	71.29	71.29
Proposed Dividend Tax	11.56	11.84

Contingency Provision against Standard Assets	1.01	2.45
Excess MAT credit of earlier year written off in current year	4.04	1.93
Closing Balance	1666.21	1498.94

PERFORMANCE OF THE COMPANY

During the year under review the Company has earned Profit before Tax of Rs. 409.60 lakhs and Profit after Tax of Rs. 318.97 lakhs.

FUTURE OUTLOOK

The year under review has seen depressed market environment mainly due to global factors. The company had been following conservative investment policy and consistent stress on fee based financial services business. Due to this, the company could maintain its performance. The market environment for the current year looks depressed but barring unforeseen circumstances, the company expects to maintain its performance in line with the past.

DIVIDEND

The Directors have recommended dividend @ 7.5% (i.e. Rs. 0.75 per equity share) for the financial year ended March 31, 2012.

LISTING OF EQUITY SHARES

The equity shares of the Company are listed on the following Stock Exchanges:

- i. Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001;
- ii. The Delhi Stock Exchange Limited, DSE House, 3/1 Asaf Ali Road, New Delhi-110002.

DIRECTORS

In terms of Article 97, Mr. Rakesh K. Jain and Mr. Atul K. Jain, Directors retire by rotation and being eligible offer themselves for reappointment at the ensuing Annual General Meeting. Brief resume of the Directors proposed to be reappointed, nature of their expertise in their specific functional areas, names of companies in which they hold 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, 2012, 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.
4. the Directors have prepared the accounts for the financial year ended March 31, 2012 on a going concern basis.

CORPORATE GOVERNANCE

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