

*FRONTLINE FINANCIAL SERVICES
LIMITED*

ANNUAL REPORT

2009-2010

REGD OFF: 12/A, Swastik Chambers, Nr. C. U. Shah Collage, Income – Tax,
Ahmedabad - 380014

FRONTLINE FINANCIAL SERVICES LIMITED

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NOTICE

Notice is hereby given that The Annual General Meeting of Company will be held on 30th September, 2010 at 11.30 a.m. at the registered office of the Company to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010, the Profit and Loss Account of the Company for the year ended on that date and the reports of the Directors and auditors thereon.
2. To appoint a Director in place of Mr. Tushar S. Shah who retire by rotation and being eligible offers himself for reappointments.
3. To appoint Auditors of the company and to fix their remuneration.

DATE : 31.08.2010
PLACE : AHMEDABAD

**BY ORDER OF THE BOARD OF
DIRECTORS**

**Sd/-
CHAIRMAN**

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. Proxy in order to be valid must be received by the company not less than forty eight hours before the time of holding the Meeting.
2. Register of Members and Share Transfer Books will remain close from 27.09.2010 to 30.09.2010.

DIRECTORS REPORT

To,
The Members
Frontine Financial Services Ltd.

Your Directors have pleasure in presenting the Annual Report together with the audited statement of accounts for the period ended on 31st March, 2010.

FINANCIAL RESULTS :

Particulars	2009- 10	2008- 09
1. Total Income	894882	484900
2. Total Expenditure	483518	281082
3. Depreciation	3007	3590
4. Profit/ Loss before Tax	408357	200228
5. Current Year Tax	70050	27430
6. Profit / Loss after Tax	338307	172798

DIVIDEND :

Your Directors do not recommend the dividend for the financial year ended 31.03.2010.

DIRECTORS :

Mr. Shreyas Patel and Mr. Dinesh Ranparia resigned from the post of the director whereas Mr. Tushar B. Shah Director of the company are retiring by rotation and being eligible, offer himself for reappointments. Board recommends his reappointments.

All other Directors continue to hold their Directorships.

FIXED DEPOSITS :

The Company has not accepted any deposits from the public within the meaning of Section 58 A of the Companies Act, 1956 and Rules made there under.

AUDITORS REPORTS :

The observations of the Auditors in their Report and Notes Attached to the Accounts to the Accounts are Self-Explanatory and do not require any Further Clarifications.

DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to the requirement under section 217 (2AA) of the Companies Amendment Act, 2000 with respect to Director Responsibility Statement it is hereby confirmed:

1. That in the preparation of the Annual Accounts for the financial year ended 31st March, 2010 the applicable accounting standards had been followed along with proper explanation relating to material departures.

2. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the financial year and of the Profit of Loss of the Company for the year under review.

3. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

4. That the Directors had prepared the accounts for the financial year ended 31st March, 2010 on a going concern basis.

AUDITORS :

Nirav S. Shah & Co., Auditors of the Company retire at this Annual General Meeting and being eligible, are recommended for reappointment.

CORPORATE GOVERNANCE :

A separate section on Corporate Governance and a Certificate from Auditors of the company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement together with the Management Discussion and Analysis of the financial position of the company forms part of the Annual Report.

LISTING :

Equity Shares of the company are listed on the Bombay Stock Exchange Limited (BSE) as well as Ahmedabad Stock Exchange (ASE). However the company is vanished.

PARTICULARS OF THE EMPLOYEES :

The company has no employee to whom the provision of Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975 apply and so, forming part of the report is nil.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO :

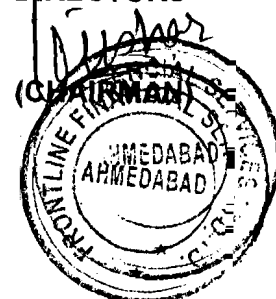
The Additional information required under Section 217(1)(e) of the Companies Act, 1956 relating to Conservation of energy, technology absorption are not applicable to the Company. The Company has no any Foreign exchange earnings or outgoes.

ACKNOWLEDGMENT :

Your Directors wish to thank the Shareholders of the Company for their continued support.

DATE : 01.09.2010
PLACE : AHMEDABAD

BY ORDER OF THE BOARD OF
DIRECTORS



MANAGEMENT DISCUSSION AND ANALYSIS

1. Overall Review

The company started the business activities during the year 2009 – 2010.

2. Financial Review

During the year under review, the company made the profit of Rs. 338307 compare to last year profit of Rs. 172798.

3. Internal Control System and their adequacy

Considering the size of the company, your company has adequate system of internal control to provide reasonable assurance that assets are safeguarded and protected from unauthorized use or disposition.

4. Business Environment

Company has not carried on any business activities. However the company is now exploring various business opportunities which can be taken up by the company with profitability.

5. Risk and Concern

The Assets of the company are adequately insured.

6. Cautionary Statement

Statement in this report on Management Discussion and Analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially, from those expressed or implied. Important factors that could make a difference to the company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic development within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward - looking statements, which may be amended or modified in future on the basis of subsequent developments, information or events.

FRONTLINE FINANCIAL SERVICES LIMITED

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company believes in functioning in a transparent manner with the basic philosophy being to enhance the shareholder value, keeping in mind the needs and interest of other shareholder. The following information is placed before the shareholders,

BOARD OF DIRECTORS

Company has three members on the Board of the Company constituting Non – executive directors. Composition of board of directors is as under:

- | | | |
|---------------------|---|---------------------------------------|
| (1) Mr. Tushar Shah | - | Director & Promoter (Executive) |
| (2) Mr. Sanjay Shah | - | Director & Promoter (Executive) |
| (3) Mr. Ravish Shah | - | Director (Non Executive, Independent) |

Numbers of Board Meeting held and the dates on which held:

During the year the Company has held 7 Board Meetings as against the minimum requirement of 4 meeting. The meetings were held on:

30th April 2009, 31st May 2009, 31st July 2009, 31st August, 2009, 31st October, 2009, 3^{-st} January, 2010 and 31st March, 2010.

Director's presence in the Board Meeting held during the year:

Sr. No.	Name of Director	Attendance Particular	
		Last AGM	Board Meeting
1	Mr. Tushar Shah	YES	7
2	Mr. Sanjay Shah	YES	7
3	Mr. Ravish Shah	YES	7

AUDIT COMMITTEE

The Audit Committee has been constituted in conformity with the requirements of Section - 292A of the Companies Act, 1956 and Clause – 49 of the Listing Agreement with Stock Exchanges.

The audit committee has the following non – executive Director.

- (1) Mr. Ravish Shah
- (2) Mr. Sanjay Shah

Powers of the audit committee includes :

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The scope of committee includes:

1. Review of company's financial reporting process and the financial statement.
2. Review internal control systems and functioning of internal audit process.
3. Post audit review with statutory auditors.

During the year under review, Audit committee met five times where all the members were present.

The meetings were held on 30th April, 2009, 31st July, 2009, 31st August, 2009, 31st October, 2009 and 31st January, 2010.

Company is trying its best to induct one more member having Financial background as a member of Audit Committee and to Become a part of Board of Directors of the Company, to comply with the code of Corporate Governance.

REMUNERATION COMMITTEE

The remuneration committee consists of the following two Non – Executive, Independent Directors.

- (1) Mr. Sanjay Shah
- (2) Mr. Ravish Shah

At present, no remuneration is paid to any Directors of the company. As there was no business to discuss, meeting of the Remuneration committee was not held during the year.

SHAREHOLDERS COMMITTEE

Shareholder's Committee consists of two members:

- (1) Mr. Tushar Shah
- (2) Mr. Sanjay Shah

During the year under review, Shareholders committee met Five times where all the members were present.

The meetings were held on 30th April, 2009, 31st July, 2009, 31st October, 2009, 31st January, 2010 and 31st March, 2010.

During the year, the company and their Registrar and Share Transfer Agents M/s Cameo Corporate Services Limited, Ahmedabad, resolved all the complaints within the time frame prescribed by the SEBI/ Stock Exchanges except the disputed matters.

The Shares received for transfer are generally approved on 15th and 30th of the each month and are given effect by the Registrar and Share Transfer Agent.

GENERAL BODY MEETING:

DATE	TYPE	TIME	VENUE
30/09/2009	AGM	11.30 A.M.	10, ANKUR COMPLEX, B/H. TOWN HALL, OPP. X – RAY HOUSE, ELLISEBRIDGE, AHMEDABAD – 380 006.
30/09/2008	AGM	11.30 A.M.	10, ANKUR COMPLEX, B/H. TOWN HALL, OPP. X – RAY HOUSE, ELLISEBRIDGE, AHMEDABAD – 380 006.
29/09/2007	AGM	11.30 A.M.	10, ANKUR COMPLEX, B/H. TOWN HALL, OPP. X – RAY HOUSE, ELLISEBRIDGE, AHMEDABAD – 380 006.

There are no special resolutions passed by the company through postal ballot at any of the above annual general meeting.

CODE OF CONDUCT

The Company has adopted a Code of Conduct for Directors and Senior Management, which is also hosted on the website of the Company. It is the responsibility of all employees and Directors to familiarise themselves with the Code and comply with the same.

The Code includes provisions where the employees of the Company can voice their concerns on violation and potential violation of this Code in a responsible and effective manner.

DISCLOSURE

As per the disclosures given by the Directors of the Company there were no materially related party transactions attracting Section 297 of the Companies Act, 1956.

All the guidelines issued by the SEBI and Stock Exchange or other statutory authority on the matter related to capital markets are fully complied.

MEANS OF COMMUNICATION

The means of communication between the Shareholders and Company are transparent and investor friendly. The quarterly results of the Company are published in News Paper as required by the listing agreement.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting:
(Date, Time and Venue)

Date: 30/09/2010
Time: 11.30 A.M.
Venue: 12/A, Swastik Chambers,
Nr. C. U. Shah Collage,
Income – Tax,
Ahmedabad - 380 014

Financial Calendar:

1st April 2009 to 31st March 2010.

Date of Book Closure:

27th September 2010 To 30th September 2010

Dividend Payment Date:

No dividend declared.

Tentative Financial Calendar

Publication of Quarterly Results ending 30 th June, 2010	Last week of July 2010
Publication of Quarterly Results ending 30 th Sep. 2010	Last week of Oct. 2010
Publication of Quarterly Results ending 31 st Dec. 2010	Last week of Jan. 2011
Publication of Quarterly Results ending 31 st March 2011	Last week of April 2011

LISTING ON STOCK EXCHANGE

1. The Stock Exchange, Mumbai
2. The Stock Exchange, Ahmedabad.

REGISTRAR AND SHARE TRANSFER AGENT

The Company has appointed M/s. Cameo Corporate Services Limited as a registrar and Share Transfer Agent to handle all the work related to Shares and Securities.

SHARE MARKET DATA

Shares of the Company are generally not traded in the Stock Market

SHARE TRANSFER SYSTEM

Presently, the share transfers in physical form and the share certificates returned within a period of 15 to 30 days from the date of receipt, subject to the documents being clear in all respects. After the share transfer is affected, a letter will be sent to the transferee indicating the details of the transferred shares along with their Share Certificates.

DEMATERIALIZATION OF SHARES AND LIQUIDITY

Shares of the company is not admitted for dematerialization by NSDL or CDSL.

Outstanding GDRs/ ADRs/ Warrants or any
Convertible Instruments, Conversion date and
Likely impact on equity:

Not Applicable

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2010

DISTRIBUTION OF HOLDINGS		PHYSICAL	
Balance		Holder's	SHARES
1	500	0	0
501	1000	27	27000
1001	2000	136	246000
2001	3000	125	364300
3001	4000	121	467400
4001	5000	75	372200
5001	10000	56	349500
10001	9999999	56	4074700
TOTAL		596	5901100

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2010

	Category	No. of Shares	% of Shares
A	Promoter's Holding		
1	Indian Promoters	2414400	40.91
2	Foreign Promoters	-----	-----
	Sub total	2414400	40.91
B	Non-Promoters		
3	Institutional Investors	-----	-----
	A Mutual Funds and UTI	-----	-----
	B Banks, Financial Inst., Insurance Com. (Central State Gov. Inst. /Non- Gov Inst.)	-----	-----
	C FIIS	-----	-----
	Sub total	-----	-----
4	Others		
	A Private corporate Bodies	100000	1.70
	B Indian Public	3386700	57.39
	C NRIs / OCBs	-----	-----
	Sub total	3486700	59.09
	GRAND TOTAL	5901100	100.00

Disclosures

(1) There are no materially significant related party transactions of the Company with key managerial personnel which have potential conflict with the interest of the Company at large.

(2) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the period from 1st April 2009 to 31st March 2010 : NIL.

Unclaimed Dividends

The Company will be required to transfer dividends which have remained unpaid/unclaimed for the period of 7 years to the Investor Education & Protection Fund established by the Government. However there is no such unclaimed/unpaid dividend for which Company has to transfer the same to the Investor Education & Protection Fund in this financial year.

Address for Correspondence

Shareholders can do the correspondence at:

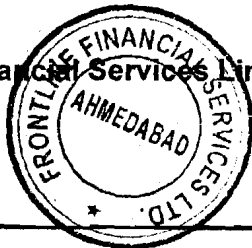
To,
Compliance Officer
Frontline Financial Services Limited
10, ANKUR COMPLEX,
B/H. TOWN HALL,
OPP. X RAY HOUSE,
ELLISEBRIDGE, AHMEDABAD 380 006

DECLARATION

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company. The Board members and Senior Management have affirmed compliance with the code of conduct.

For, Frontline Financial Services Limited


DIRECTOR



CEO CERTIFICATION

We, Mr. Tushar S. Shah, Director certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the year ended on 31.03.10 and that to the best of their knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee

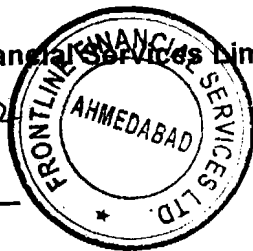
(i) significant changes in internal control during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) 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 company's internal control system.

For Frontline Financial Services Limited

Tushar



DIRECTOR

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE
GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)**

1. We have examined the Compliance of conditions of Corporate Governance by **Forntline Financial Services Limited** ("the Company ") for the period from during the year ended 1st April, 2009 to 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange.
2. The compliance of conditions of corporate governance is the responsibility of the management .Our examination has been limited to a review of the 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.
3. In our opinion and to the best of our information and according to the explanations given to us , and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. As required by the Guidance Note issued by the Institute of Chartered Accountant of India we have to state that based on the report given by the Registrar of the Company to the Investor's Grievance Committee, as on 31st March, 2010, there were no investor grievance matter against the Company remaining unattended /pending for more than 30 days.
5. 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.

Place : Ahmedabad

Date : 01.09.2010

For , Nirav S. Shah & Co.

CHARTERED ACCOUNTANTS

SD/-

[PROPRIETOR]

[Nirav Shah]

Membership # 133345

A. SANTOKI ASSOCIATES
Company Secretaries

Ajit M. Santoki
B.B.A., F.C.S.

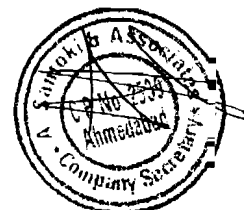
203, Abhishek Complex,
B/h. Navgujarat College,
Income-Tax,
Ahmedabad-380014.
Ph.(O)27541156.

COMPLIANCE CERTIFICATE

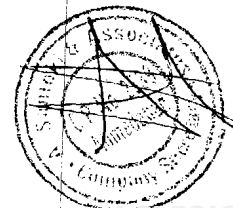
To,
The Members,
FRONTLINE FINANCIAL SERVICES LIMITED
Ahmedabad.

We have examined the relevant registers, records, books and papers of **M/S FRONTLINE FINANCIAL SERVICES LIMITED** [The Company] as required to be maintained under the Companies Act, 1956 (The Act) and rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In our opinion and to the best of our information and according to examinations carried out by us and explanations furnished to us by the company, its officer and agents, we certify that in respect of aforesaid financial year.

1. The Company has kept and maintained all registers as stated in "Annexure A" to this Certificate, as per the provisions of the Act and rules made there under and all entries there in have been duly recorded.
2. The Company has duly filed the forms and returns as stated in "Annexure B" to this Certificate, with the Registrar of the Companies, Gujarat within prescribed time under the Act and rules made thereunder.
3. The company is a Limited Company and therefore Section 3 (1) (iii) of the Act is not applicable.
4. The Board of Directors duly met seven (6) times in a year on 30.04.2009, 31.07.2009, 31.08.2009, 31.10.2009, 31.01.2010 and 31.03.2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members and Share Transfer Books from 25.09.2009 to 30.09.2009 (both days inclusive) during the year.
6. The Annual General Meeting of the Financial year ended on 31.03.2009 was held on 3rd September, 2009 after giving due notice to the Members of the Company and the resolution passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors or Persons or Firms or companies referred to under Section 295 of the Act.



9. According to the Register of Contracts the Company has not entered into any contract during the year falling within the purview of Section 297 of the Companies Act, 1956.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. The Provisions of Section 314 of the Companies Act, 1956 have not been attracted and there fore no approval was required to be taken.
12. The Company has not issued any duplicate share certificate during the financial year.
13. The Company has:
 - (I) Delivered all the certificates on lodgment thereof for transfer / transmission or any other purpose in accordance with the provisions of the act. However, there was no any allotment of securities during the financial year.
 - (II) Has not deposited any amount in a separate bank account, as no dividend was declared during the year.
 - (III) The Company was not required to post dividend warrant, as no dividend was declared.
 - (IV) No Amount lying in the Books of Accounts in respect of unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest occurred thereon.
 - (V) Duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the company has not appointed additional directors / alternate directors and directors to fill casual vacancy during the year.
15. The Company has not appointed Managing Director / Wholetime Director during the year.
16. The Company has not appointed any sole selling agents during the year under review.
17. There were no transactions or events during the year requiring particular Approvals from the Central Government, Company Law Board, Regional Director, Registrar or such other authorities.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any Shares, debentures or any other Securities during the year.
20. The Company has not bought back shares during the year.
21. The Company has not redeemed any preference shares/ Debentures during the year.



22. As the Company has not declared any dividend, right shares or bonus shares, the question of keeping in abeyance right to dividend, right shares and bonus shares pending registration of transfer of shares does not arise.
23. The company has not invited/accepted any deposits during the year falling within purview of 58A of the Act.
24. The amount borrowed by the Company during the financial year ending 31.03.2009 is within the borrowing limits of the company and that necessary resolutions as per Section 293(1)(d) of the act have been passed in duly convened general meeting of the members.
25. The Company has made the Loans and Investments in accordance with the provisions of the Section 372A of the Act.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office of the Company during the year under review.
27. The Company has not altered the provisions of the Memorandum with respect to objects of the Company during the year under review.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under review.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under review.
30. The Company has not altered the articles of association during the year under review.
31. As informed to us by management, no prosecution has been initiated or show cause notices issued for any offence to the Company during the year under the Act.
32. The Company has not received any security in whatsoever form, from its employees during the year.
33. The provisions of section 418 of the Act are not applicable to the Company.

PLACE : AHMEDABAD
DATE : 01.09.2010

FOR A. SANTOKI & ASSOCIATES
COMPANY SECRETARIES



(AJIT SANTOKI)
PROPRIETOR
C.P.NO.: 2539

ANNEXURE : 'A'

REGISTERES MAINTAINED BY THE COMPANY

1. Register of Members u/s 150 of the Act.
2. Register of Share Transfer.
3. Register of Directors u/s 303 of the Act.
4. Register of Contracts with the Companies and firms in which directors are directly or indirectly interested u/s 301 of the Act.
5. Register of Director's Shareholding u/s 307.
6. Minutes Book of the general Meeting
7. Minutes Book of Board Meeting u/s 193 of the Act.

ANNEXURE: ' B'

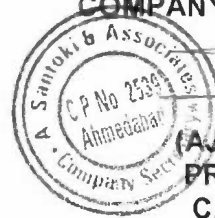
Company has filed the following Forms and documents with registrar of companies during the financial year ended on 31st March, 2009.

1. Form No. 23AC for filling the balance sheet of the company as on 31st March, 2009
2. Form No. 23ACA for filling the profit and loss account of the company for the year 31st March, 2009
3. Form No. 20B for filling the annual return of the company upto 30th September, 2009
4. Form No. 66 for filling the Compliance Certificate of the Company for the year 2010.

PLACE : AHMEDABAD

DATE : 01.09.2010

**FOR A. SANTOKI & ASSOCIATES
COMPANY SECRETARIES**



**(AJIT SANTOKI)
PROPRIETOR
C.P.NO.: 2539**



NIRAV S. SHAH & CO.

CHARTERED ACCOUNTANTS.

NIRAV SHAH
B.Com, A.C.A.

139/1665, Shivalaya Apartment, Nr. Sola Housing Complex, Sola Road,
Ahmedabad - 380 063. (M) : 98256 09734 E-mail : shah.shahassociates@gmail.com

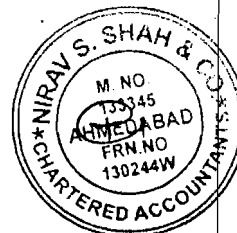
AUDITORS' REPORT

TO:
THE MEMBERS OF
FRONTLINE FINANCE SERVICES LIMITED.
AHMEDABAD.

We have audited the attached BALANCE SHEET of **FRONTLINE FINANCIAL SERVICES LIMITED.** as at **31.03.2010**, the Profit & Loss Account for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- (1) (a) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4 A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.





NIRAV S. SHAH & CO.

CHARTERED ACCOUNTANTS.

NIRAV SHAH
B.Com, A.C.A.

139/1665, Shivalaya Apartment, Nr. Sola Housing Complex, Sola Road,
Ahmedabad - 380 063. (M) : 98256 09734 E-mail : shah.shahassociates@gmail.com

- (2) Further to our comments in the Annexure referred to above, we report that:-
- (a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of such books.
 - (c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956. Given the information required by the companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;





NIRAV S. SHAH & CO.

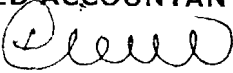
CHARTERED ACCOUNTANTS.

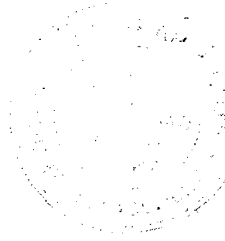
NIRAV SHAH
B.Com, A.C.A.

139/1665, Shivalaya Apartment, Nr. Sola Housing Complex, Sola Road,
Ahmedabad - 380 063. (M) : 98256 09734 E-mail : shah.shahassociates@gmail.com

- (i) In the case of the Balance sheet of the state of affairs of the company as at 31.03.2010 and;
- (ii) In case of Profit and Loss Account of the **Profit** for the period ended on that date;

For NIRAV S. SHAH & Co.
CHARTERED ACCOUNTANTS


(NIRAV S. SHAH)
Proprietor
Membership # 133345
FRN. No.130244w



PLACE : AHMEDABAD.

DATE : 01/09/2010

ANNEXURE

(Referred to in paragraph 1 of our report of even date)

i)

(a) The Company has maintained proper records showing full particulars including quantities details and situation of Fixed Assets.

(b) All the Assets have not been physically verified by the management during the year but there is regular program of Verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

ii)

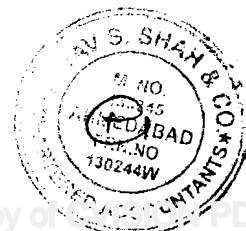
(a) The Company has no inventory, hence not applicable.

iii)

(a) As informed to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. However, year end Balance of Loan taken from relatives of director is Rs **NIL-**

(b) The company had no taken loan from any other companies covered in the register maintained under section 301 of the Companies Act, 1956. And the year end balance of loans taken from such parties was Rs. NIL There are to firms covered in the register maintained under section 301 of the Companies Act, 1956 to which the company has granted loans, Maximum amount involved during the year was Rs. NIL and the year end balance of loans granted to such parties was Rs. 3,71,16,062.

(c) In our opinion the rate of interest and other terms and conditions on which loans have been taken from/ granted to companies, firms or other parties listed in the register maintained under section 301 of the companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.



(d) In respect of the aforesaid loans, the amount is payable on demand, the company is repaying the principal amount as & when demanded & has not been paying any interest.

(e) The aforesaid loan is repayable on demand & therefore the question of overdue amount does not arise.

iv) In our opinion and according to information & explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and Fixed assets and for the sale of goods. During the course of audit, no major weakness has been noticed in these internal controls.

v)

(a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the companies Act, 1956 have been so entered.

vi) In our opinion, according to the information and explanations given to us, the company has not taken any deposit from the public.

vii) In our opinion the company has an internal audit system commensurate with its size and nature of its business.

viii) As informed to us, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the products of the company.

ix) (a) The company is generally regular in depositing with the appropriate authorities, undisputed statutory dues including Provident Fund, Income tax, Sales-tax, Excise Duty, investors education and protection fund, wealth Tax, Custom Duty, Cess and other material Statutory dues applicable to it except Income Mat Tax Liability of Rs.70,050/- . There were no arrears for a period of more than six month from the date they became payable as at 31st March 2010

(b) According to the information and explanation given to us, there are no cases of non-deposits with the appropriate authorities of disputed dues of sales tax /excise duty /custom duty / wealth tax / cess.



- x) The accumulated losses of the company are not more than 50% of its Net Worth. The company has not incurred any cash losses in current year
- xi) According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions / banks.
- xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of Shares, debentures and other securities.
- xiii) The company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provision of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
- xiv) According to the information and explanations given to us, the company is not dealing or trading in Shares, Securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
- xv) In our opinion, the terms and condition on which the company has given guarantees for loans taken by others from Bank or Financial Institutions are, prima facie, not prejudicial to the interest of the company.
- xvi) According to the information and explanations given to us in this year there is no term loan during the loan.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) The company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix) According to the information and explanations given to us, no debentures and/or preference shares have been issued during the year.
- xx) The company has not raised any money through a public issue.
- xxi) Based upon the audit procedures performed and information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit

For NIRAV S. SHAH & Co.

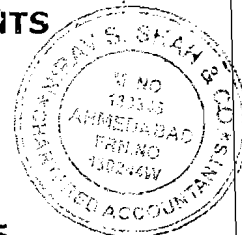
CHARTERED ACCOUNTANTS

(Signature)

(NIRAV S. SHAH)

Proprietor

Membership # 133345



PLACE : AHMEDABAD.

DATE : 01/09/2010

FORNTLINE FINANCIAL SERVICES LIMITED

BALANCE SHEET AS AT 31 ST MARCH, 2010

PARTICULARS	SCH NO.	Amount (Rs.)	Amount (Rs.)	AS AT 31 ST MARCH-10 Amount (Rs.)	AS AT 31 ST MARCH-09 Amount (Rs.)
SOURCE OF FUND					
Shareholder's Fund :					
Share Capital	1			54,702,570	45,122,000
Loan Funds :					
Unsecured Loan					
TOTAL Rs.----->				54,702,570	45,122,000
FIXED ASSETS :					
Gross Block	2			414,862	414,862
Less: Depreciation				398,985	(395,978)
Net Block				15,877	18,884
Current Assets, Loans	3				
ADVANCES					
Inventories		9,606,500			106,500
undry Debtors		201,750			201,750
Cash & Bank Balance		1,289,506			787,572
Loans & Advances		37,116,062			37,116,062
			48,213,818		38,211,884
LIABILITIES :					
CURRENT LIABILITIES & PROVISION	4				
undry Creditors		3,997,624			3,987,624
Provision		215,253			145,203
			4,212,877		
NET CURRENT ASSETS				44,000,941	34,079,057
Profit & Loss Account				10,685,752	11,024,059
TOTAL Rs.----->				54,702,570	45,122,000

AS PER OUR REPORT OF EVEN DATE

6

SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING INTERNAL PART OF ACCOUNTS

FOR NIRAV S. SHAH & CO
CHARTERED ACCOUNTANTS

FOR FORNTLINE FINANCIAL SERVICES LTD

(NIRAV S. SHAH)

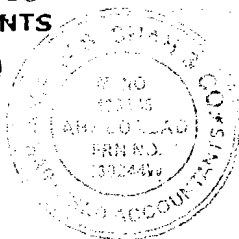
PROPRIETOR

MEMBERSHIP # 133345

FRN. No.130244w

DATE : 01/09/2010

PLACE : AHMEDABAD



[Signature]

DIRECTOR

DATE : 31/08/2010

PLACE : AHMEDABAD

[Signature]

DIRECTOR

FORNTLINE FINANCIAL SERVICES LIMITED

**TRADING & PROFIT & LOSS A/c. FOR THE PERIOD ENDED
ON 31 ST MARCH, 2010**

PARTICULARS	SCH NO.	AS AT 31 ST MARCH-10 Amount (Rs.)	AS AT 31 ST MARCH-09 Amount (Rs.)
INCOME			
Interest		224,082	284,900
Consultancy Income		670,800	200,000
TOTAL INCOME Rs.----->		894,882	434,900
EXPENSES :			
Operating Expenses			
Profit Margin		894,882	484,900
Administrative and Other Exp.	5	483,518	281,082
Profit Before Depreciation & Amortisation		411,364	203,818
Depreciation		3,007	3,590
Profit Before Tax		408,357	200,228
Income Tax Expenses :			
Current Tax Expenses		70,050	27,430
Current Year Profit / Loss		338,307	172,798
Losses Carried from Last Year		(11,024,059)	(11,196,857)
Balance Carried to Balance Sheet		(10,685,752)	(11,024,059)

PER OUR REPORT OF EVEN DATE

6 SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING INTEGRAL PART OF ACCOUNTS

**FOR NIRAV S. SHAH & CO
CHARTERED ACCOUNTANTS**

FOR FORNTLINE FINANCIAL SERVICES LTD

(Signature)
**(NIRAV S.SHAH)
PROPRIETOR**

(Signature)
DIRECTOR

(Signature)
DIRECTOR



MEMBERSHIP # 133345

FRN. No. 130244w

DATE : 01/09/2010

PLACE : AHMEDABAD

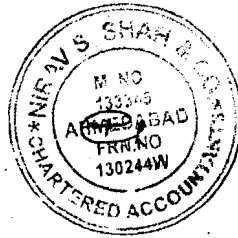
DATE : 31/08/2010

PLACE : AHMEDABAD

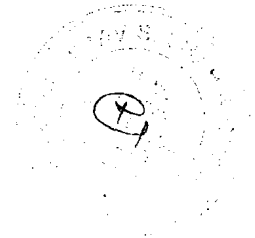
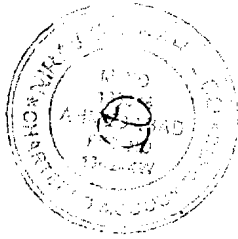
FORNTLINE FINANCIAL SERVICES LIMITED

SCHEDULE FROMING PART OF THE BALANCE SHEET AS AT 31.03.10

PARTICULARS	MARCH-10 Amount. Rs.	MARCH-09 Amount. Rs.
SCHEDULE ' 1 '		
SHARE CAPITAL : -		
A. Autorized Share Capital		
6000000 Equity Share each of Face Value of Rs.10/-	60,000,000	60,000,000
B. Issued, Subscribed & Paid - Up Capital		
5901100 Equity Share each of Face Value of Rs.10/-	59,011,000	59,011,000
Share Application Money	9,580,570	
Unpaid Allotment Money	(13,889,000)	(13,889,000)
	54,702,570	45,122,000

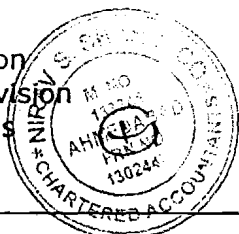


Particulars	FIXED ASSETS							
	Gross Block			Depreciation			Net Block	
	As At 1-4-2009 Rs.	Addition Rs.	As At 01-04-2010 Rs.	As At 31-3-2009 Rs.	For the Year Rs.	As At 31-3-2010 Rs.	As At 31-3-2010 Rs.	As At 31-3-2009 Rs.
Air Condition - 13.91%	35,000.00	-	35,000.00	31,473.00	495.00	31,938.00	3,062.00	3,557.00
EPABX - 13.91%	31,490.00	-	31,490.00	28,272.00	448.00	28,720.00	2,770.00	3,218.00
Furniture & Fixtu - 18.10%	235,921.00	-	235,921.00	226,864.00	1,639.00	228,503.00	7,418.00	9,057.00
Office Equipment - 13.91%	31,451.00	-	31,451.00	28,399.00	425.00	28,824.00	2,627.00	3,052.00
Computer - 40%	81,000.00	-	81,000.00	81,000.00	-	81,000.00	-	-
Total ----- Rs.	414,862.00	-	414,862.00	395,978.00	3,007.00	398,935.00	15,877.00	18,884.00



SCHEDULE ' 3 ' CURRENT ASSETS LOANS &	MARCH-10 Amount. Rs.	MARCH-09 Amount. Rs.
ADVANCES :-		
INVENTORIES :-		
Stock in Trade [Shares & Securities] taken value and certified by management		
100000 Shares of Sources Fin. Ser.Ltd	100,000	100,000
200 Shares of Guruda Clays Ltd	200	200
6300 Shares of Trister Organise Ltd	6,300	6,300
City Gold Media	9,500,000	
	9,606,500	106,500
Sundry Debtors :- (Unsecured & Considered Goods)		
A . Outstanding for more than Six months	201,750	201,750
B. Outstanding for less than Six Months		
	201,750	201,750
Cash & Bank Balance :-		
Cash on Hand	1,275,644	767,412
Bank Balance With Schedule Bank	13,862	20,160
	1,289,506	787,572
Loans & Advances :- [Unsecured & Considered Good] Advances recoverable in Cash or in kind or for value to be received from Employees & Other Advances Interest Receivable TDS	37,116,062	37,116,062
	37,116,062	37,116,062
TOTAL Rs.----->	48,213,818	38,211,884

SCHEDULE ' 4 ' CURRENT LIABILITIES & PROVISIONS :-	MARCH-10 Amount. Rs.	MARCH-09 Amount. Rs.
Current Liabilities :-		
Sundry Creditors		
For Goods	3,997,624*	3,987,624
For Expenses		
	3,997,624	3,987,624
Provisions :-		
Provisions for Tax	117,773	117,773
Last Year Mat Provision	27,430	27,430
Current year Mat Provision	70,050	
Provision for Expenses		
	215,253	145,203
	4,212,877	4,132,827

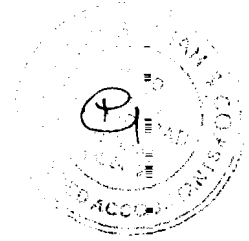


FORNTLINE FINANCIAL SERVICES LIMITED

SCHEDULE ' 5 '

ADMINISTRATIVE & OTHER EXPENSES

PARTICULARS	MARCH-10 Amount (Rs.)	MARCH-09 Amount (Rs.)
Audit Fees	10,000	10,000
Bank Charges	3,048	3,482
Salary Expenses	261,500	260,000
Office Expenses	8,250	7,600
BSE Listing Fees	200,720	
TOTAL Rs.----->	483,518	281,082



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NOTES FORMING PARTS OF ACCOUNTS

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**SCHEDULE: ' 6 '**

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SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS :

A. SIGNIFICANT ACCOUNTING POLICIES :

The significant accounting policies followed by the company are as stated below:

I. ACCOUNTING CONVENTION :

~~~~~

The financial statement is prepared under the historical cost convention and follows the mercantile system of accounting and recognizes income and expenditure on the accrual basis except those with significant uncertainties. Sales & Purchase is accounted exclusive of excise duty.

**II. FIXED ASSETS :**

~~~~~

There Fixed assets are stand at cost of acquisition inclusive of freight, duties, taxes, and inclusive of expenses.

III. DEPRECIATION :

~~~~~

Depreciation on fixed assets is provided on "Written Down Value Method" at the rate and in the manner prescribed in Schedule XIV of the Companies Act,1956.

**IV. INVENTORIES :**

~~~~~

There is no Closing Stock at the year end .In closing Stocks include shares and securities is valued at cost or market price whichever is lower. The stock of Shares and securities is based on the intention of management and other relevant circumstances.



V. INVESTMENT :

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There is no investment.

**VI. MISCELLANOUS EXPENSES :**

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Preliminary Expenditures are written off over period of ten years.

VII. CONTINGENT LIABILITIES :

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No Provision is made for liabilities, which are contingent in nature but, if material, the same all disclosed by way notes to the accounts.

**B. NOTES ON ACCOUNTS:**

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- I. Previous years figures have been regrouped wherever necessary.
- II. Balances of creditors, Loans & Advances and Debtors are subject to confirmation by the parties concerned.
- III. In respect of sales tax / income tax liability company does not expect any more liability than provided in the books of accounts.
- IV. Expenditure on Employees getting remuneration not less Rs.300000/- per year employed throughout the year and Rs.25000/- per month employed for part of year :

<u>No. of Employees</u>	<u>Amount Rs.</u>	<u>Amount Rs.</u>
Employed through out the year	Nil (Nil)	Nil (Nil)
Employed for a part of a year	Nil (Nil)	Nil (Nil)

V. (a) Value of import calculates on CIF basis:

1. Raw Material	Nil	(Nil)
-----------------	-----	-------



2. Components & Spare Parts	Nil	(Nil)
3. Capital Goods.	Nil	(Nil)

(b) Expenditure in Foreign Currency on account of :

1. Royalty	Nil	(Nil)
2. Knowhow.	Nil	(Nil)
3. Professional Consultancy	Nil	(Nil)
4. Other Matters	Nil	(Nil)

(c) The amount remitted in foreign currency on Account of dividends to non- residents Nil (Nil)

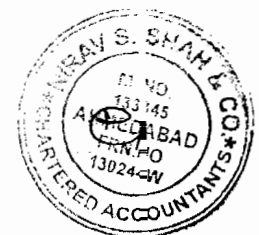
VI. Auditor's Remuneration.

	31-03-2010	31-03-2009
a. As Auditors	7500.00	7500.00
Tax Audit Fees	NIL	NIL
b. In other Capacity		
1. For Income Tax	NIL	NIL
2. For Company Law - Matter	NIL	NIL
3. For Certification Work	NIL	NIL
4. For Other Works	2500.00	2500.00

VII. We relied on vouchers duly certified by the Assessee wherever original bills are not available during the test checked conducted in the course of our audit.

VIII. In the opinion of the Directors of the Company the current assets, Loans & Advances appearing in the balance sheet are approximately of the value as stated if realized in the ordinary course of business.

IX. Cash on hand at the year end certified by the management.



- X. The company operates in investment and Trading of Shares and Securities only. Hence no separate segment reporting is required.

FOR, NIRAV S. SHAH & Co.
CHARTERED ACCOUNTANTS


(NIRAV S. SHAH)
PROPRIETOR

Membership # 133345

PLACE: AHMEDABAD

DATE : 01/09/2010

FOR, FRONTLINE FINANCIAL SERVICES LIMITED



DIRECTOR DIRECTOR

PLACE : AHMEDABAD

DATE : 31/08/2010

Additional information pursuant to part IV schedule VI to the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFIT

1. Registration No. : **State Code : 04**

Balance Sheet as on 31-03-2010

2. Capital Raised During the year **Rs. In Lacs.**

Public Issue	NIL
Right issue	NIL
Bonus Issue	NIL
Private Issue	NIL

3. Position of mobilization and deployment of funds.

Total Liability	547.03
Total Assets	547.03

4. Source of funds

Paid up Capital	
[Incl. Share Application money]	0547.03
Reserves & Surplus	0000.00
Secured Loan	0000.00
Unsecured Loan	0000.00

5. Application of Funds

Net Fixed Assets	0000.16
Investment	0000.00
Net Current Assets	0440.01
Misc. Expenditure	0000.00



6. Accumulated Losses

Profit & Loss Account 0106.86

7. Performance of the Company

Turnover/ other income	0008.95
Total Expenses	0004.86
Profit before Tax	0004.08
No Of shares	59011000
Earning Per Share	Rs.0.0069
Dividend	Rs.0.000

8. General Names of Three principal products/ services of the company.

a) Item Code No. : N.A.

b) Product description N.A.

FOR, NIRAV S. SHAH & Co..

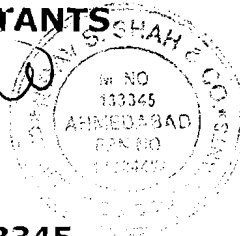
FOR, FRONTLINE FINANCIAL SERVICES LIMITED

CHARTERED ACCOUNTANTS


(NIRAV S. SHAH)

PROPRIETOR

Membership # 133345




DIRECTOR


DIRECTOR

PLACE : AHMEDABAD

DATE : 01/09/2010

PLACE : AHMEDABAD

DATE : 31/02/2010

FRONTLINE FINANCIAL SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2010
PURSUANT TO CLAUSE 32 OF LISTING AGREEMENT

[Rs. In Laks]

Particulars	31-03-2010	31-03-2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (Loss) before Tax & Extra ordinary Items	4.08	2.04
Adjustment for ;		
Depreciation	0.03	0.04
Preliminary & Public Issue Exp. Written off	0	0
Operation Profit / Loss Before Working Capital Change	4.11	2.04
Adjustment for		
Long Term. Loans Raised	96	-335
(Increase) / Decreased in current Assets	-95	335.6
(Increase) / Decreased in current Liabilities	-0.1	-1.46
NET CASH FLOW FROM OPERAITON : (A)	5.01	1.18
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sales / (Purchase) of Fixed Assets	0	0
Sales / (Purchase) of Fixed Investment	0	0
NET CASH FLOW FROM INVESTING AVTIVITIES : (B)		
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS (A+B)	5.01	1.18
Opening Cash & Cash Equivalents	7.87	6.69
Closing Cash & Cash Equivalents	12.88	7.87

As per our report of even date Annexed

For, Nirav S. Shah & Co.
Chartered Accountants



Proprietor
(Nirav Shah)

Membership # 133345

RN. No.130244w

Date : 01/09/2010

Place : Ahmedabad



For, FRONTLINE FINANCIAL SERVICES LIMITED



Director



Director

Date : 31/08/2010

Place : Ahmedabad