

***FRONTLINE FINANCIAL SERVICES
LIMITED***

ANNUAL REPORT

2010-2011

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 1st August, 2011 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, 2011, 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. Chintan V. Shah who retire by rotation and being eligible offers himself for reappointments.
3. To appoint a Director in place of Mr. Bhadresh M. Mehta who retire by rotation and being eligible offers himself for reappointments.
4. To appoint Auditors of the company and to fix their remuneration.

DATE : 30.06.2011
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. Members/Proxies should bring the Attendance Slip, duly filled in, for attending the meeting.
3. The Register of Members and share transfer books of the Company will remain closed from 26.07.2011 to 01.08.2011 (both days inclusive)
4. Members desiring any information regarding the accounts are requested to write to the Company at least Seven Days before the meeting so as to enable the management to keep the same ready.

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, 2011.

FINANCIAL RESULTS :

The summarized financial results for the year ended 31st March, 2011 are as under:

Particulars	2010 - 11	2009 - 10
1. Total Income	1353000	894882
2. Total Expenditure	800000	483518
3. Depreciation	2181	3007
4. Profit/ Loss before Tax	550819	408357
5. Current Year Tax	85102	70050
6. Profit / Loss after Tax	465717	338307

DIVIDEND :

Your Directors do not recommend the dividend for the financial year ended 31.03.2011.

DIRECTORS :

Mr. Chintan V. shah, Mr. Bhadresh M. Mehta, Mr. Maheshkumar C. Shah and Mr. Jayeshkumar B. shah appointed as a director of the company whereas Mr. Ravish Shah, Mr. Sanjay Shah and Mr. Tushar Shah has resigned from the post of the director during the year. Mr. Chintan V. shah, Mr. Bhadresh M. Mehta, directors of the company are retiring by rotation and being eligible, offer themselves 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, 2011 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, 2011 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 trading of the company is suspended.

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 thanks the Shareholders of the Company for their continued support.

DATE : 30.06.2011
PLACE : AHMEDABAD

**BY ORDER OF THE BOARD OF
DIRECTORS**

**Sd/-
CHAIRMAN**

MANAGEMENT DISCUSSION AND ANALYSIS

1. Overall Review

The company has increased the business activities during the year 2010 – 2011.

2. Financial Review

During the year under review, the company made the profit of Rs. 465717 compare to last year profit of Rs. 338307.

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. Chintan V. Shah | - | Director & Promoter (Executive) |
| (2) Mr. Bhadresh M. Mehta | - | Director & Promoter (Executive) |
| (3) Mr. Maheshkumar C. Shah | - | Director (Non Executive, Independent) |
| (4) Mr. Jayeshkumar B. Shah | - | Director (Non Executive, Independent) |

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

During the year the Company has held 9 Board Meetings as against the minimum requirement of 4 meeting. The meetings were held on:

12th April, 2010, 30th April 2010, 31st July 2010, 31st August, 2010, 31st October, 2010, 31st January, 2011, 16th February, 2011, 3rd March, 2011 and 31st March, 2011.

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

Name of Director	Category of Director	No. of Board Meetings attended	Attendance at the last AGM	Directorships in other Indian Public Companies* as at 31 st March 2011	Other Mandatory Committee** membership as at 31 st March 2011	
					Chairman	Member
Mr. Chintan V. Shah	Executive Director	9	Yes	NIL	NIL	NIL
Mr. Bhadresh M. Mehta	Executive Director	9	Yes	NIL	NIL	NIL
Mr. Maheshkumar C. Shah	Non - Executive Director	3	N.A.	NIL	NIL	NIL
Mr. Jayeshkumar B. Shah	Non - Executive Director	3	N.A.	NIL	NIL	NIL

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.

At present the Audit Committee comprises of three directors. Amongst them two directors are Non Executive & Independent and One director is Executive Director. Details of the composition, number of meetings held during the year and attendance thereat are as under:

Name	Position held	Attendance at Audit Committee meeting held on			
		30.06.2010	31.07.2010	30.10.2010	30.01.2011
Mr. Maheshkumar C. Shah	Chairman	N.A.	N.A.	N.A.	N.A.
Mr. Jayeshkumar B. Shah	Member	N.A.	N.A.	N.A.	N.A.
Mr. Chintan V. Shah	Member	Yes	Yes	Yes	Yes

Minutes of meetings of the Audit Committee are circulated to members of the Committee and the Board is kept apprised.

Members of the Audit Committee have requisite financial and management expertise. The Statutory Auditors, Internal Auditor and the Chief Financial Officer are invited to attend and participate at meetings of the Committee.

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.

REMUNERATION COMMITTEE

The remuneration committee consists of the following two Non – Executive, Independent Directors. Details of composition, number of meetings held during the year and attendance thereat are as under:

Name	Position held	Attendance at Remuneration Committee meeting held on			
		30.04.2010	30.07.2010	30.10.2010	31.03.2011
Mr. Maheshkumar C. Shah	Chairman	N.A.	N.A.	N.A.	Yes
Mr. Jayeshkumar B. Shah	Member	N.A.	N.A.	N.A.	Yes

At present the company has decided not to pay any remuneration to any directors of the company unless and until the company will achieve good financial performance.

The Company does not have any scheme for grant of stock option to its Directors or Employees nor it pay any commission to any of its Directors.

SHAREHOLDERS COMMITTEE

Shareholder's Committee consists of three members. Details of the composition, number of meetings held during the year and attendance thereat as under:

Name	Category of Director	Position held	Attendance at Shareholders' Committee meeting held on				
			30.04.2010	30.07.2010	30.09.2010	31.10.2010	31.01.2011
Mr. Jayeshkumar B. Shah	Non - Executive Director	Chairman	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Maheshkumar C. Shah	Non- Executive Director	Member	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Bhadresh M. Mehta	Executive Director	Member	Yes	Yes	Yes	Yes	Yes

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
30/09/2010	AGM	11.30 A.M.	12/A, SWASTIK CHAMBERS, NR. C.U. SHAH COLLAGE, INCOME – TAX, AHMEDABAD – 380 014
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.

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: 01/08/2011
Time: 11.30 A.M.
Venue: 12/A, Swastik Chambers,
Nr. C. U. Shah Collage,
Income – Tax,
Ahmedabad - 380 014

Financial Calendar:

1st April 2010 to 31st March 2011.

Date of Book Closure:

26th July, 2011 To 1st August, 2011

Dividend Payment Date:

No dividend declared.

Tentative Financial Calendar

Publication of Quarterly Results ending 30 th June, 2011	Last week of July 2011
Publication of Quarterly Results ending 30 th Sep. 2011	Last week of Oct. 2011
Publication of Quarterly Results ending 31 st Dec. 2011	Last week of Jan. 2012
Publication of Quarterly Results ending 31 st March 2012	Last week of April 2012

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, 2011

DISTRIBUTION OF HOLDINGS		PHYSICAL	
Balance		Holders	SHARES
1	500	35	18000
501	1000	83	80100
1001	2000	10	18000
2001	3000	4	11000
3001	4000	17	62000
4001	5000	3	13800
5001	10000	6	45000
10001	& Above	33	5653200
TOTAL		191	5901100

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2011

	Category	No. of Shares	% of Shares
A	Promoter's Holding		
1	Indian Promoters	1812600	30.72
2	Foreign Promoters	-----	-----
	Sub total	1812600	30.72
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	-----	-----
	B Indian Public	4088500	69.28
	C NRIs / OCBs	-----	-----
	Sub total	4088500	69.28
	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 2010 to 31st March 2011 : 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
12/A, Swastik Chambers,
Nr. C. U. Shah Collage,
Income – Tax,
Ahmedabad - 380 014

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

**Sd/-
DIRECTOR**

CEO CERTIFICATION

We, Mr. Chintan V. Shah, Director certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the year ended on 31.03.11 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

**Sd/-
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, 2010 to 31st March, 2011 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, 2011, 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 : 30.06.2011

For , Nirav S. Shah & Co.

CHARTERED ACCOUNTANTS

SD/-

[PROPRIETOR]

[Nirav Shah]

Membership # 133345

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 **31.03.2011**, 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.
- (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;

- (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

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

PLACE : AHMEDABAD.

DATE : June 30, 2011

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) In our opinion, physical verification of inventory has been conducted by Management at reasonable intervals.
 - (b) The procedure of Physical Verification of inventory not followed by the management.
- 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) Not Applicable.
 - (c) Not Applicable.
 - (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, hence not applicable.
- 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. There were no arrears for a period of more than six month from the date they became payable as at 31st March 2011
- (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 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 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

PLACE : AHMEDABAD.
DATE : June 30, 2011

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

FRONTLINE FINANCIAL SERVICES LIMITED

Annual Report 2010-2011

BALANCE SHEET AS ON 31ST MARCH, 2011

	Schedule	As at 31st March, 2011 (Rupees)		As at 31st March, 2010 (Rupees)	
SOURCES OF FUNDS					
Shareholders' Fund					
Share Capital	1		59,011,000		54,702,570
Reserves & Surplus	2		3,664,158		(13,685,752)
Total			62,675,158		44,016,818
Application of Funds					
FIXED ASSETS	4				
Gross Block			414,862		414,862
Less : Depreciation			401,166		398,985
Net Block			13,696		15,877
Investment			10,000,000		
Current Assets, Loans & Advances					
Inventory	5	43,606,500		9,606,500	
Sundry Debtors	6	315,575		201,750	
Cash & Bank Balance	7	622,230		1,289,506	
Loans & Advances	8	8,994,636		37,116,062	
		53,538,941		48,213,818	
Less : Current Liabilities & Provisions	3	877,479		4,212,877	
		877,479		4,212,877	
Net Current Assets			52,661,462		44,000,941
Total			62,675,158		44,016,818
Significant Accounting Policies & Notes to Accounts	10				

As per Our Report Even Data

For NIRAV S. SHAH & Co
Chartered Accountants

For, FRONTLINE FINANCIAL SERVICES LIMITED

Sd/-
(NIRAV S. SHAH)
Proprietor
Firm No. 130244W
Membership : 133345Sd/-
DirectorSd/-
DirectorPlace : Ahmedabad
Date : June 30, 2011Place : Ahmedabad
Date : June 30, 2011

FRONTLINE FINANCIAL SERVICES LIMITED

SCHEDULE TO BALANCE SHEET

	As at 31st March 2011	As at 31st March 2010
SCHEDULE - 1		
SHARE CAPITAL		
60,00,000 Equity Share of Rs 10/- Each	60,000,000	60,000,000
Issued, Subscribed & Paid Up :		
5901100 equity shares of Rs.10/- each	59,011,000	59,011,000
Share Application Money		9,580,570
Unpaid Allotment Money		(13,889,000)
	59,011,000	54,702,570
SCHEDULE - 2		
RESERVES AND SURPLUS		
Opening Balance	(10,685,752)	(11,024,059)
Add. . Share Forfeited Amount 2777800*5	13,889,000	
Less Current Year	460,910	338,307
	3,664,158	(10,685,752)
SCHEDULE - 3		
Current Liabilities & Provision		
Current Liabilities :		
Sundry Creditors		
Creditors for Expenses	-	
Creditors for Goods	675,483	3,997,624
Advance Received from Customers		
Other Current Liabilities	-	
Total A	675,483	3,997,624
Provision		
Provision for Tax	117,773	117,773
Last year MAT Provision		27,430
Current Year MAT Provision	84,223	70,050
Total B	201,996	215,253
Total A + B	877,479	4,212,877

FRONTLINE FINANCIAL SERVICES LIMITED

Schedule 04 - Fixed Assets

Particulars	Gross Block		Depreciation		Net Block	
	As At 1st April 2010 Rs	As At 31st March 2011 Rs	As At 1st April 2010 Rs	For the Year Rs.	As At 31st March 2011 Rs	As At 31st March 2010 Rs
Air Condition - 13.91%	35000	35,000	31,938	426	32,364	3,062
EPABX- 13.91%	31490	31,490	28,720	332	29,052	2,770
Furniture & Fixtures - 18.10%	235921	235,921	228,503	1,408	229,611	7,418
Office Equipment - 13.91%	31451	31,451	28,824	315	29,139	2,627
Computer - 40%	81000	81,000	81,000	-	81,000	-
Total Rs.	414862	414,862	398,985	2,181	401,166	15,877

FRONTLINE FINANCIAL SERVICES LIMITED

SCHEDULE TO BALANCE SHEET

	As at 31st March 2011	As at 31st March 2010
SCHEDULE - 5		
Inventory		
Stock in Trade [Share & Securities] taken value and certified by management		
100000 Shares of Sources Fin Services Limited	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	9,500,000
Shares in Dhultawala	5,000,000	
Shares in Suryam Projects Pvt Ltd	12,500,000	
Shares in Jain Jewellery	1,500,000	
Shares in Yogesh Overseas	15,000,000	
	43,606,500	9,606,500
SCHEDULE - 6		
SUNDRY DEBTORS		
More than Six Months	315,575	201,750
Less than Six Months		
	315,575	201,750
SCHEDULE - 7		
CASH AND BANK BALANCE		
Cash in Hand & Bank Balance with Scheduled Bank	622,230	1,289,506
[Maximum amount outstanding at any time during the year and previous year are same]		
	622,230	1,289,506
SCHEDULE - 8		
LOANS & ADVANCES		
Recoverable in cash or in kind or for which value to be received	8,994,636	37,116,062
	8,994,636	37,116,062
Total	53,538,941	48,213,818

FRONTLINE FINANCIAL SERVICES LIMITED**SCHEDULE TO PROFIT & LOSS ACCOUNT**

	As at 31st March 2011	As at 31st March 2010
SCHEDULE - 9		
ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Audit Fees	25,000	10,000
Bank Charges	5,686	3,048
Salary Expenses	280,000	261,500
Office Expenses	210,214	8,250
BSE Listing Fees	-	200,720
Misc Expenses	272,162	-
Stationary & Printing Expenses	12,624	-
	805,686	483,518
	805,686	483,518

NOTES FORMING PARTS OF ACCOUNTS

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**SCHEDULE: ' 10 '**

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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 :

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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 :**

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

III. DEPRECIATION :

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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 :**

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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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All the Investment are Long Term Investment which is stated at cost.

**VI. MISCELLANEOUS 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.

	31-03-2011	31-03-2010
a. As Auditors	25000.00	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	NIL	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. FOR, FRONTLINE FINANCIAL SERVICES LIMITED
CHARTERED ACCOUNTANTS

Sd/-
(NIRAV S. SHAH)
PROPRIETOR
Membership # 133345
FRN No. 130244w

Sd/- Sd/-
DIRECTOR DIRECTOR

PLACE: AHMEDABAD
DATE : June 30, 2011

PLACE : AHMEDABAD
DATE : June 30, 2011

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 31-03-2011

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	626.80
Total Assets	626.80

4. Source of funds

Paid up Capital [Incl. Share Application money]	0590.11
Reserves & Surplus	0036.64
Secured Loan	0000.00
Unsecured Loan	0000.00

5. Application of Funds

Net Fixed Assets	0000.14
Investment	0100.00
Net Current Assets	0526.61
Misc. Expenditure	0000.00

6. Accumulated Losses

Profit & Loss Account 0000.00

7. Performance of the Company

Turnover/ other income	0013.53
Total Expenses	0008.08
Profit before Tax	0005.45
No Of shares	59011000
Earning Per Share	Rs.0.0093
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

Sd/-
(NIRAV S. SHAH)
PROPRIETOR
Membership # 133345
FRN no. 130244w

Sd/- **Sd/-**
DIRECTOR **DIRECTOR**

PLACE : AHMEDABAD
DATE : June 30, 2011

PLACE : AHMEDABAD
DATE : June 30, 2011

FORNTLINE FINANCIAL SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2011
PURSUANT TO CLAUSE 32 OF LISTING AGREEMENT

[Rs. In Laks]		
Particulars	31-03-2011	31-03-2010
<u>A. CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net profit / (Loss) After Tax & Extra ordinary Items	5.45	4.08
Adjustment for ;		
Depreciaton	0.02	0.03
Preliminary & Public Issue Exp. Written off	0	0
Operation Profit / Loss Before Working Capital Change	5.47	4.11
Adjustment for		
Long Term, Loans Raised	181.97	96
(Increase) / Decreased in current Assets	-60.75	-95
(Increase) / Decreased in current Liabilities	-33.35	-0.1
<u>NET CASH FLOW FROM OPERAITON : (A)</u>	93.34	5.01
<u>B. CASH FLOW FROM INVESTING ACTIVITIES</u>		
Sales / (Purchase) of Fixed Assets	0	0
Sales / (Purchase) of Fixed Investment	-100	0
<u>NET CASH FLOW FROM INVESTING AVTIVITIES : (B)</u>		0
<u>C. NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS (A+B)</u>		
	-6.66	5.01
Opening Cash & Cash Equivalents	12.88	7.87
Closing Cash & Cash Equivalents	6.22	12.88

As per our report of even date Annexed

For, Nirav S. Shah & Co.
Chartered Accountants

For, FORNTLINE FINANCIAL SERVICES LIMITED

Sd/-
Proprietor
(Nirav Shah)

Membership # 133345
FRN.NO.130244W

Sd/-
Director

Sd/-
Director

Place : Ahmedabad
Date : June 30, 2011

Place : Ahmedabad
Date : June 30, 2011