

ANNUAL REPORT

2011-12



Front Line
FINANCIAL SERVICES LIMITED

12-A, Swastik Chamber, Nr. C.U.Shah College, Navjivan Press Road,
Ashram Road, 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 28th May, 2012 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, 2012, 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. Maheshkumar C. Shah who retire by rotation and being eligible offers himself for reappointments.
3. To appoint a Director in place of Mr. Jayesh B. Shah who retire by rotation and being eligible offers himself for reappointments.
4. To appoint Auditors of the company and to fix their remuneration.

DATE : 18.04.2012
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 21.05.2012 to 28.05.2012 (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.

DIRECTOR'S 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, 2012.

FINANCIAL RESULTS :

The summarized financial results for the year ended 31st March, 2012 are as under:
(Rs. in 10 Thousand)

Particulars	2011 - 12	2010 - 11
1. Total Income	5016	135
2. Total Expenditure	4970	81
3. Depreciation	0	0
4. Profit/ Loss before Tax	46	54
5. Current Year Tax	14	8
6. Profit / Loss after Tax	32	46

DIVIDEND :

Your Directors do not recommend the dividend for the financial year ended 31.03.2012.

DIRECTORS :

During the year Mr. Maheshkumar C. shah, Mr. Jayesh B. Shah, 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, 2012 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, 2012 on a going concern basis.

AUDITORS :

D. A. Rupawala & Associates, 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 : 18.04.2012
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 2011 – 2012.

2. Financial Review

During the year under review, the company made the profit of Rs. 3.2 Lacs.

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

The Company has all the plans for tight budgetary control on key operational performance indication with judicious deployment of funds without resorting to any kind borrowing where ever possible.

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 four 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 8 Board Meetings for the smooth transactions. The meetings were held on:

30th April, 2011, 30th June, 2011, 31st July 2011, 5th September, 2011, 31st October, 2011, 31st January, 2012, 20th February, 2012 and 31st March, 2012.

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 2012	Other Mandatory Committee** membership as at 31 st March 2012	
					Chairman	Member
Mr. Chintan V. Shah	Executive Director	8	Yes	NIL	NIL	NIL
Mr. Bhadresh M. Mehta	Executive Director	8	Yes	NIL	NIL	NIL
Mr. Maheshkumar C. Shah	Non - Executive Director	8	Yes	NIL	NIL	NIL
Mr. Jayeshkumar B. Shah	Non - Executive Director	8	Yes	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				
		30.04.2011	30.06.2011	31.07.2011	30.10.2011	30.01.2012
Mr. Maheshkumar C. Shah	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. Jayeshkumar B. Shah	Member	Yes	Yes	Yes	Yes	Yes
Mr. Chintan V. Shah	Member	Yes	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			
		30.04.2011	30.07.2011	30.10.2011	31.03.2012
Mr. Maheshkumar C. Shah	Chairman	Yes	Yes	Yes	Yes
Mr. Jayeshkumar B. Shah	Member	Yes	Yes	Yes	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				
			30.04.2011	30.07.2011	30.09.2011	31.10.2011	31.01.2012
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, Baroda, 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
01/08/2011	AGM	11.30 A.M.	12/A, SWASTIK CHAMBERS, NR. C.U. SHAH COLLAGE, INCOME – TAX, AHMEDABAD – 380 014
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.

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: 28/05/2012
Time: 11.30 A.M.
Venue: 12/A, Swastik Chambers,
Nr. C. U. Shah Collage,
Income – Tax,
Ahmedabad - 380 014

Financial Calendar:

1st April 2011 to 31st March 2012.

Date of Book Closure:

21st May, 2012 To 28th May, 2012

Dividend Payment Date:

No dividend declared.

Compliance Officer

Mr. Chintan V. Shah

Tentative Financial Calendar

Publication of Quarterly Results ending 30 th June, 2012	Last week of July 2012
Publication of Quarterly Results ending 30 th Sep. 2012	Last week of Oct. 2012
Publication of Quarterly Results ending 31 st Dec. 2012	Last week of Jan. 2013
Publication of Quarterly Results ending 31 st March 2013	Last week of April 2013

LISTING ON STOCK EXCHANGE

The Shares of the company is listed at below mention stock exchange. However the trading of the same is suspended.

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, 2012

DISTRIBUTION OF HOLDINGS		PHYSICAL	
		Holder	SHARES
Balance			
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, 2012

	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 2011 to 31st March 2012 : 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 31.03.12 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 **Frontline Financial Services Limited** ("the Company ") for the period from during the year ended 1st April, 2011 to 31st March, 2012 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, 2012, 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 : 18.04.2012

For , D.A. RUPAWALA & ASSOCIATES
Chartered Accountants
Firm Reg. No. 108902W

Sd/-
(D. A. Rupawala)
Proprietor
Mem. No. 3674

AUDITORS' REPORT

To,
The Members of
FRONTLINE FINANCIAL SERVICES LIMITED

We have audited the attached Balance Sheet of FRONTLINE FINANCIAL SERVICES LIMITED as at 31st March 2012 and also the annexed Profit and Loss Account of the Company for the year 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 misstatements. An Audit includes examining, on a test basis, evidence supporting the amount and disclosures in financial principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As per the Companies (Auditors report) order, 2003 issued by the Central Government of India in terms of Section 227 (4-A) of the Companies Act, 1956, we do hereby state that the company is exempted under the Companies (Auditors report) order, 2003, on the matter specified paragraph 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit.
2. 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 the books.
3. The Balance Sheet & Profit & Loss Account dealt with by this report is in agreement with the books of accounts and comply with the Accounting Standards referred to in Sub- Section 3(C) of section 211 of the Companies Act, 1956.

2...

4. According to information and explanations given to us and on the basis of written representations from the directors of the Company, none of the Director is disqualified from being appointed as a director of the Company under section 274(1) (g) of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanation given to us, the said Balance Sheet and the Profit and Loss Account, together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view: -
 - a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2012 and
 - b) In the case of the Profit & Loss Account of the **Profit** for the year ended on that date.

For, D.A.Rupawala & Associates
Chartered Accountants

Sd/-
(Dawoodi Rupawala)
Proprietor
Firm No. 108902W
Membership : 37674

PLACE : AHMEDABAD
Date : April 18, 2012.

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 2012

(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 year.
- 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, D.A.Rupawala & Associates
Chartered Accountants

Sd/-
(Dawoodi Rupawala)
Proprietor
Firm No. 108902W
Membership : 37674

PLACE : AHMEDABAD
Date : April 18, 2012.

FRONTLINE FINANCIAL SERVICES LIMITED

Balance Sheet as at 31st March, 2012

(Rs in 10Thousand)

Particulars	Note No	As at 31.03.2012	As at 31.03.2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	A	5,901	5,901
(b) Reserves and Surplus	B	398	366
(c) Money received against share warrants		-	-
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings			
(b) Deferred tax liabilities (Net)			
(c) Other Long term liabilities			
(d) Long term provisions			
(4) Current Liabilities			
(a) Short-term borrowings			
(b) Trade payables	C	126	68
(c) Other current liabilities	D	25	20
(d) Short-term provisions			
Total		6,451	6,355
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	E	43	1
(ii) Intangible assets		NIL	NIL
(iii) Capital work-in-progress		NIL	NIL
(iv) Intangible assets under development		NIL	NIL
(b) Non-current investments	F	900	1,000
(c) Deferred tax assets (net)			
(d) Long term loans and advances	G	-	899

(e) Other non-current assets		-	-
(2) Current assets			
(a) Current investments			
(b) Inventories	H	450	4,361
(c) Trade receivables	I	5,002	32
(d) Cash and cash equivalents	J	6	62
(e) Short-term loans and advances	K	50	-
(f) Other current assets			
Total		6,451	6,355

As Per Our Separate Report Of Even Date Attached Herewith

For D.A.Rupawala & Associates
Firm Registration No :- 108902W
Chartered Accountants

For Frontline Financial Services Limited

Sd/-
Dawoodi Rupawala
Proprietor
Membership No. 37674

Sd/-
Director

Sd/-
Director

Place : Ahmedabad
Date : April 18, 2012

Place : Ahmedabad
Date : April 18, 2012

FRONTLINE FINANCIAL SERVICES LIMITED

Profit and Loss statement for the year ended 31st March, 2012

(Rs in 10Thousand)

Particulars	Note No	For the Year end 31.03.2012	For the Year end 31.03.2011
I. Revenue from operations	L	4,994	135
II. Other Income		22	NIL
III. Total Revenue (I +II)		5,016	135
IV. Expenses:			
Cost of materials consumed	M	4,914	-
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		NIL	NIL
Employee benefit expense	N	23	28
Financial costs		NIL	NIL
Depreciation and amortization expense		0	0
Other expenses	O	33	53
Total Expenses		4,970	81
V. Profit before exceptional and extraordinary items and tax	(III - IV)	46	54
VI. Exceptional Items			
VII. Profit before extraordinary items and tax (V - VI)		46	54
VIII. Extraordinary Items			
IX. Profit before tax (VII - VIII)	(VII-VIII)	46	54
X. Tax expense:			
(1) Current tax		14	8
(2) Deferred tax		-	-
XI. Profit(Loss) from the period from continuing operations	(IX - X)	32	46

XII. Profit/(Loss) from discontinuing operations			
XIII. Tax expense of discounting operations			
XIV. Profit/(Loss) from Discontinuing operations	(XII - XIII)		
XV. Profit/(Loss) for the period	(XI + XIV)	32	46
XVI. Earning per equity share:			
(1) Basic		10	10
(2) Diluted		0.05	0.08

As Per Our Separate Report Of Even Date Attached Herewith

For D.A.Rupawala & Associates
Firm Registration No :- 108902W
Chartered Accountants

For Frontline Financial Services Limited

Sd/-
Dawoodi Rupawala
Proprietor
Membership No. 37674

Sd/-
Director

Sd/-
Director

Place : Ahmedabad
Date : April 18, 2012

Place : Ahmedabad
Date : April 18, 2012

Note No. : A
Share Capital

(Rs in 10 Thousand)

	As at 31 March 2012		As at 31 March 2011	
	Number	Amount(Rs.)	Number	Amount(Rs.)
<u>Share Capital</u>				
<u>Authorised</u>				
___% preference shares of ___ each Equity Shares of Rs. 10 each	6,000,000	6,000	6,000,000	6,000
<u>Issued</u>				
___% preference shares of ___ each Equity Shares of ___ each	5,901,100	5,901	5,901,100	5,901
<u>Subscribed & Paid up</u>				
___% preference shares of ___ each Equity Shares of 10 Rs. each fully paid	5,901,100	5,901	5,901,100	5,901
<u>Subscribed but not fully Paid up</u>				
___% preference shares of ___ each, not fully paid up Equity Shares of ___ Rs. Nil each, fully paid up	-	-	-	-
Total	5,901,100	5,901	5,901,100	5,901

Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Equity Shares		Preference Shares	
	Number	Amount(Rs.)	Number	Amount(Rs.)
Shares outstanding at the beginning of the year	-	-	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	-	-	-	-

Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule VI to the Companies Act, 1956

_____ Equity Shares (Previous year) are held by _____, the holding company.

Above disclosure is required for each class of Shares held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956 (if more than 5%)

Name of Shareholder	As at 31	As at 31
	March 2012	March 2011
	No. of Shares held	No. of Shares held
I.B.Industriechemie-Beteiligungs-GMBH (Subscribed & Fully Paid up)	-	-
	-	-
	-	-
	-	-

Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Year (Aggregate No. of Shares)			
	2011	2010	2009	2007
Equity Shares :				
Partly paid up pursuant to contract(s) without payment being received in cash	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-
Shares bought back	-	-	-	-
Preference Shares :				
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-
Shares bought back	-	-	-	-

Disclosure pursuant to Note no. 6(A)(k) of Part I of Schedule VI to the Companies Act, 1956

	Amount(Rs.)
Unpaid Calls	
By Directors	-
By Officers	-

Note No. : B
Reserve and Surplus

(Rs. in 10Thousand)

Particulars	As at 31 March 2012		As at 31 March 2011	
	Amount(Rs.)	Amount(Rs.)	Amount(Rs.)	Amount(Rs.)
h. Surplus				(1,069)
Opening balance		366		46
(+) Net Profit/(Net Loss) For the current year		32		1,389
(+) Share Forfeited Amount				-
(-) Proposed Dividends				-
(-) Interim Dividends				-
(-) Transfer to Reserves		398		366
Closing Balance				
Total		398		366

Note No. : C

Current Liabilities (Trade Payable)

(Rs. in 10Thousand)

Particulars	As at 31 March 2012		As at 31 March 2011	
	Amount(Rs.)	Amount(Rs.)	Amount(Rs.)	Amount(Rs.)
(a) Trade Payables		126		68
(b) Others		-		
Total		126		68

Note No. : D
Current Liabilities (Other Current Liabilities)

(Rs. in 10 Thousand)

Particulars	As at 31 March 2012		As at 31 March 2011	
	Amount(Rs.)		Amount(Rs.)	
Others		11		20
[Provision for Income Tax, Provision for Expenses and others]		14		
Add : Current Year				
Total		25		20

Non-Current Assets

Note No. : 6

Long Term Loans and Advances

(Rs. in 10 Thousand)

Long Term Loans and Advances	As at 31 March 2012		As at 31 March 2011	
	Amount(Rs.)		Amount(Rs.)	
c. Loans and advances to related parties (refer Note 2)				
Secured, considered good				899
Unsecured, considered good		-		
Doubtful				
Less: Provision for doubtful loans and advances		-		899
d. Other loans and advances				
Secured, considered good				
Unsecured, considered good				
Doubtful				
Less: Provision for _____		-		
				899

Disclosure pursuant to Note no. 6 (iv) of Part I of Schedule VI to the Companies Act, 1956

	As at 31	As at 31
	March 2012	March 2011
	Amount(Rs.)	Amount(Rs.)
Directors *		
Other officers of the Company *		
Firm in which director is a partner *		
Private Company in which director is a member		
	-	-

Current Assets
 Note No. : H
 Inventories

(Rs. in 10Thousand)

	As at 31 March 2012	As at 31 March 2011
	Amount(Rs.)	Amount(Rs.)
Inventories		
c. Finished goods (Valued at lower of cost or market value)	(450)	4,361
Goods-in transit	-	4,361
	(450)	
Total	(450)	4,361

Note No. : I
Trade Receivables

(Rs. in 10 Thousand)

Trade Receivables	As at 31 March 2012	As at 31 March 2011
	Amount(Rs.)	Amount(Rs.)
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Secured, considered good	5,002	32
Unsecured, considered good	-	-
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	5,002	32
Total	5,002	32

Trade Receivable stated above include debts due by:

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount(Rs.)	Amount(Rs.)
Directors *		
Other officers of the Company *		
Firm in which director is a partner *		
Private Company in which director is a member.		
	-	-

Note No. : J

Cash and cash equivalents

	(Rs. in 10Thousand)	
	As at 31 March 2012 Amount(Rs.)	As at 31 March 2011 Amount(Rs.)
Cash and cash equivalents	1	1
a. Balances with banks*		
This includes:		
Earmarked Balances	-	-
(eg/- unpaid dividend accounts)	-	-
Margin money	-	-
Security against borrowings	-	-
Guarantees	-	-
Other Commitments	-	-
Bank deposits with more than 12 months maturity	-	-
b. Cheques, drafts on hand	5	61
c. Cash on hand*	-	-
d. Others (specify nature)	6	62

*Repatriation restrictions, if any, in respect of cash and bank balances shall be separately stated.

Note No. : K

Short-term loans and advances

	(Rs. in 10Thousand)	
	As at 31 March 2012 Amount(Rs.)	As at 31 March 2011 Amount(Rs.)
Short-term loans and advances		
Duties & Taxes - TDS / Advance Tax / Excise Duty	50	-
Unsecured, considered good		
Doubtful		
Less:Provision for	50	-
	50	-

Disclosure pursuant to Note no.K (iv) of Part I of Schedule VI to the Companies Act, 1956

	As at 31	As at 31
	March 2012	March 2011
	Amount(Rs.)	Amount(Rs.)
Directors *		
Other officers of the Company *		
Firm in which director is a partner *		
Private Company in which director is a member	-	-

Note No. : E Fixed Assets

(Rs in 10Thousand)

Particulars	Gross Block		Depreciation			Net Block	
	As At 1st April - 2011 Rs	Additton Rs.	As At 31st March 2012 Rs	As At 1st April 2011 Rs	For the Year Rs.	As At 31st March 2012 Rs	As At 31st March 2011 Rs
Air Condition - 13.91%	4		4	4	0	(0)	-
EPABX- 13.91%	3		3	3	0	(0)	-
Furniture & Fixtures -18.10%	24		24	23	0	0	1
Office Equipment - 13.91%	3		3	3	0	0	0
Motor Car		42	42	-	-	42	-
Total Rs.	34	42	76	33	0	43	1

Note No. : F

Non-Current Investments

(Rs, in 10Thousand)

	Particulars	As at	As at 31
		31.03.2012	March 2011
		Amount Rs.	Amount Rs.
A	Trade Investments (Refer A below)		
	(a) Investment Properties		
	(b) Investment in Equity instruments		
	(c) Investments in preference shares		
	(d) Investments in Government or Trust securities		
	(e) Investments in debentures or bonds		
	(f) Investments in Mutual Funds		
	(g) Investments in partnership firms*		
	(h) Other non-current investments		
	Total (A)	-	-
B	Other Investments (Refer B below)		
	(a) Investment Properties		
	(b) Investment in Equity instruments		
	(c) Investments in preference shares		
	(d) Investments in Government or Trust securities		
	(e) Investments in debentures or bonds		
	(f) Investments in Mutual Funds		
	(g) Investments in partnership firms*		
	(h) Other non-current investments	900	1,000
	Total (B)	900	1,000
	Grand Total (A + B)	900	1,000
	Less : Provision for dimunition in the value of Investments		
	Total	900	1,000

Note No. : L
Revenue from operations

(Rs in 10Thousand)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	Amount (Rs.)	Amount (Rs.)
Sale of products	4,994	135
Sale of services	-	-
Other operating revenues		
Less:		
Excise duty (net)	-	-
Total	4,994	135

Note No. : M
Cost Of Goods Sold

(Rs in 10Thousand)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Opening Stock	4,361	4,361
Gross Purchases	1,003	-
Less : Inter - Divisional	-	-
Less : Closing Stock	(450)	(4,361)
Total	4,914	-

Note No. : N
Employee Benefits Expense .

(Rs in 10Thousand)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
(i) salaries and wages,	23	28
(ii) contribution to provident and other funds, (iii) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP),	-	-
(iv) staff welfare expenses	-	-
Total	23	28

Note No. : O

Administrative Expenses

(Rs in 10Thousand)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Audit Fees	3	3
Office Exps.	-	21
Stationary & Printing Expenses	2	1
Misc. Expenses	-	27
Conveyance Expenses	7	0
Bank Charges	0	1
BSE Compliance Charges	3	-
Electric Expenses	2	-
Income Tax Expenses	3	-
Site Expenses	13	-
Telephone Expenses	1	-
Total	33	53

Disclosure pursuant to Note no. 6(U) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Total	Per share
Dividends proposed to be distributed to equity shareholders	NIL	NIL
Dividends proposed to be distributed to preference shareholders	NIL	NIL
Arrears of fixed cumulative dividends on preference shares	NIL	NIL

Disclosure pursuant to Note no. 6(V) of Part I of Schedule VI to the Companies Act, 1956

Where in respect of an issue of securities made for a specific purpose, the whole or part of the amount has not been used for the specific purpose at the NIL
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Disclosure pursuant to Note no. 6(W) of Part I of Schedule VI to the Companies Act, 1956

In the opinion of the Board, all assets other than fixed assets and non current investments, have a realisable value in the ordinary course of business which

Name of Assets	Realisable Value	Value in Balance Sheet	Opinion of Board

Employee Benefits Expense . : Note. 1	For the year ended 31 March 2012	For the year ended 31 March 2011
(a) Salaries and incentives	232,740	280,000
(b) Contributions to -		
(i) Provident fund	NIL	NIL
(c) Gratuity fund contributions	NIL	NIL
(d) Social security and other benefit plans for overseas employees	NIL	NIL
(e) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP),	NIL	NIL
(f) Staff welfare expenses	NIL	NIL
Total	232,740	280,000

Disclosure pursuant to Note no. 5(i)(g) of Part II of Schedule VI to the Companies Act, 1956

Payments to the auditor as : Note.2	For the year ended 31 March 2012	For the year ended 31 March 2011
a. auditor	25,000	25,000
b. for taxation matters		
c. for company law matters	NIL	NIL
d. for management services	NIL	NIL
e. for other services	NIL	NIL
f. for reimbursement of expenses		
Total	25,000	25,000

5	Additional Information	Remarks
	A Company shall disclose by way of notes additional information regarding aggregate expenditure and income on the following items:-	
(i)	Employee Benefits Expense [showing separately] : (i) salaries and wages, (ii) contribution to provident and other funds, (iii) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP), (iv) staff welfare expenses	Note 1
(b)	Depreciation and amortization expense;	NIL
(c)	Any item of income or expenditure which exceeds one per cent of the revenue from operations or Rs.1,00,000, whichever is higher;	Amendment
(d)	Interest Income;	0
(e)	Interest Expense;	0
(f)	Dividend Income;	NIL
(g)	Net gain/ loss on sale of investments;	NIL
(h)	Adjustments to the carrying amount of investments;	NIL
(i)	Net gain or loss on foreign currency transaction and translation (other than considered as finance cost);	0
(j)	Payments to the auditor as a. auditor, b. for taxation matters, c. for company law matters, d. for management services, e. for other services, f. for reimbursement of expenses;	Note 2
(k)	Details of items of exceptional and extraordinary nature;	NIL
(l)	Prior period items;	2500

As per annexure

(ii)	(a)	In the case of manufacturing companies,-		
	(1)	Raw materials under broad heads.		
	(2)	Goods purchased under broad heads.		
	(b)	Depreciation and amortization expense. In the case of trading companies, purchases in respect of goods traded in by the company under broad heads.		
	(c)	In the case of companies rendering or supplying services, gross income derived from services rendered or supplied under broad heads.		N.A.
	(d)	In the case of a company, which falls under more than one of the categories mentioned in (a), (b) and (c) above, it shall be sufficient compliance with the requirements herein if purchases, sales and consumption of raw material and the gross income from services rendered is shown under broad heads.		
	(e)	In the case of other companies, gross income derived under broad heads.		
(iii)		In the case of all concerns having works in progress, works-in-progress under broad heads.		
(iv)	(a)	The aggregate, if material, of any amounts set aside or proposed to be set aside, to reserve, but not including provisions made to meet any specific liability, contingency or commitment known to exist at the date as to which the balance-sheet is made up.		
	(b)	The aggregate, if material, of any amounts withdrawn from such reserves.		
(v)	(a)	The aggregate, if material, of the amounts set aside to provisions made for meeting specific liabilities, contingencies or commitments.		
	(b)	The aggregate, if material, of the amounts withdrawn from such provisions, as no longer required.		
(vi)		Expenditure incurred on each of the following items, separately for each item:-		
	(a)	Consumption of stores and spare parts.		NIL
	(b)	Power and fuel.		NIL
	(c)	Rent.		--
	(d)	Repairs to buildings.		NIL
	(e)	Repairs to machinery.		NIL
	(g)	Insurance.		
	(h)	Rates and taxes, excluding, taxes on income.		
	(i)	Miscellaneous expenses.		
(vii)	(a)	Dividends from subsidiary companies.		
	(b)	Provisions for losses of subsidiary companies.		Same as Old Schedule VI

	The profit and loss account shall also contain by way of a note the following information, namely:-	Same as Old
a)	Value of imports calculated on C.I.F basis by the company during the financial year in respect of –	
	I. Raw materials;	NIL
	II. Components and spare parts;	
	III. Capital goods;	NIL
b)	Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees, interest, and other matters;	
c)	Total value if all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption;	
d)	The amount remitted during the year in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the year to which the dividends related;	NIL
e)	Earnings in foreign exchange classified under the following heads, namely:-	
	I. Export of goods calculated on F.O.B. basis;	
	II. Royalty, know-how, professional and consultation fees;	
	III. Interest and dividend;	
	IV. Other income, indicating the nature thereof	
Note:-	<u>Broad heads shall be decided taking into account the concept of materiality and presentation of true and fair view of financial statements.</u>	

FRONTLINE FINANCIAL SERVICES LIMITED

NOTES FORMING PARTS OF ACCOUNTS.

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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 :

~~~~~

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 :**

~~~~~

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

VI. MISCELLANOUS EXPENSES :

~~~~~

There is no any Preliminary Expenditures at the end of the year.

**VII. CONTINGENT LIABILITIES :**

~~~~~

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<br>(Nil) | Nil<br>(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<br>Account of dividends to non- residents | Nil | (Nil) |
|------------------------------------------------------------------------------------------|-----|-------|

**VI. Auditor's Remuneration.**

|                             | 31-03-2012 | 31-03-2011 |
|-----------------------------|------------|------------|
| a. As Auditors              | 25000.00   | 25000.00   |
| 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        | NIL        |

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, D.A. Rupawala & Associates

**CHARTERED ACCOUNTANTS**

Sd/-

**(Dawoodi Rupawala)**

PROPRIETOR

Membership # 37674

FRN No. 108902W

FOR, FRONTLINE FINANCIAL SERVICES LTD

Sd/-

Sd/-

**DIRECTOR DIRECTOR**

PLACE: AHMEDABAD

DATE : April 18, 2012

PLACE : AHMEDABAD

DATE : April 18, 2012

**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 31-03-2012**

**2. Capital Raised During the year**

**Rs. In Thousand**

|               |     |
|---------------|-----|
| Public Issue  | NIL |
| Right Issue   | NIL |
| Bonus Issue   | NIL |
| Private Issue | NIL |

**3. Position of mobilization and deployment of funds.**

|                 |         |
|-----------------|---------|
| Total Liability | 6451.00 |
| Total Assets    | 6451.00 |

**4. Source of funds**

|                                 |         |
|---------------------------------|---------|
| Paid up Capital                 |         |
| [Incl. Share Application money] | 5901.00 |
| Reserves & Surplus              | 0398.00 |
| Secured Loan                    | 0000.00 |
| Unsecured Loan                  | 0000.00 |

**5. Application of Funds**

|                    |         |
|--------------------|---------|
| Net Fixed Assets   | 0043.00 |
| Investment         | 1000.00 |
| Net Current Assets | 5257.00 |
| Misc. Expenditure  | 0000.00 |

6. Accumulated Losses

Profit & Loss Account 0000.00

7. Performance of the Company

|                        |          |
|------------------------|----------|
| Turnover/ other income | 5016.00  |
| Total Expenses         | 4970.00  |
| Profit before Tax      | 0046.00  |
| No Of shares           | 5901100  |
| Earning Per Share      | Rs.0.07  |
| 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, D.A. Rupawala & Associates  
Chartered Accountants

For & on behalf of the Board

Sd/-  
**(Dawoodi Rupawala)**  
**Proprietor**  
Firm No. 108902W  
Membership : 37674

Sd/-  
Director

Sd/-  
Director

Place : Ahmedabad  
Date : April 18, 2012

Place : Ahmedabad  
Date : April 18, 2012





**Auditor's Certificate**

To  
The Board of Directors  
Frontline Financial Services Limited  
Ahmedabad

We have examined the attached Cash Flow Statement of Frontline Financial Services Limited for the Year ended 31<sup>st</sup> March' 2012. The statement has been prepared by the Company in accordance with the requirements of Listing Agreements Clause 32 with Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 18<sup>th</sup> April,2012 to the Members of the Company.

Date: 18.04.2012  
Place: Ahmedabad

For D.A. RUPAWALA & ASSOCIATES  
Chartered Accountants  
Firm Reg. No.108902W

Sd/-  
(D.A. Rupawala)  
Proprietor  
Mem. No. 3674

# FRONTLINE FINANCIAL SERVICES LIMITED

Registered office :12/A, Swastik Chambers, Nr. C. U. Shah Collage, Income - Tax, Ahmedabad - 380 014

## ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Full Name of the member attending.....

Full Name of the first Joint-holder.....

(To be filled in if first named joint-holder does not attend the meeting)

Name of Proxy.....

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the Annual General Meeting of the Company held on Monday, the 28<sup>th</sup> day of May, 2012 at 11:30 A.M. at 12/A, Swastik Chambers, Nr. C. U. Shah Collage, Income - Tax, Ahmedabad - 380 014.

Ledger Folio No.....

No. of Share held.....

Member's/Proxy's Signature

(To be signed at the time of handling over the slip)

# FRONTLINE FINANCIAL SERVICES LIMITED

Registered office :12/A, Swastik Chambers, Nr. C. U. Shah Collage, Income - Tax, Ahmedabad - 380 014

## PROXY

I/We.....of.....in the district

of.....being a Member / Members of

**FRONTLINE FINANCIAL SERVICES LIMITED** hereby appoint

.....of

.....in the district of.....or

.....failing him,.....

.....of.....

.....in the district of.....as my /

our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company held on

Monday, the 28<sup>th</sup> day of May, 2012 at 11:30 A.M. at 12/A, Swastik Chambers, Nr. C. U. Shah Collage, Income - Tax, Ahmedabad - 380 014 and at any adjournment thereof.

Signed this ..... day of .....2010.

Ledger Folio No.....

No. of Shares held.....

(Signature of Member)

**Note :** Proxy must be deposited at the Registered Office of the Company not less than 48 Hours before the commencement of the meeting.