

***FRONTLINE FINANCIAL SERVICES
LIMITED***

ANNUAL REPORT

2012-2013

REGD OFF: FF/17, PARISEEMA COMPLEX, ABOVE JAMMU KASHMIR BANK, NR.
BODYLINE, C. G. ROAD, AHMEDABAD – 380 009

FRONTLINE FINANCIAL SERVICES LIMITED

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NOTICE

Notice is hereby given that The Annual General Meeting of Company will be held on 30th September, 2013 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, 2013, 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. Chintanbhai 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 : 02.09.2013
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 25.09.2013 to 30.09.2013 (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, 2013.

FINANCIAL RESULTS :

The summarized financial results for the year ended 31st March, 2013 are as under:
(Rs. in 10 Thousand)

Particulars	2012 - 13	2011 - 12
1. Total Income	3005	5016
2. Total Expenditure	2971	4970
3. Depreciation	0	0
4. Profit/ Loss before Tax	33	46
5. Current Year Tax	10	14
6. Profit / Loss after Tax	23	32

DIVIDEND :

Your Directors do not recommend the dividend for the financial year ended 31.03.2013.

DIRECTORS :

During the year Mr. Chintan V. Shah and 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, 2013 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, 2013 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 : 02.09.2013
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 2012 – 2013.

2. Financial Review

During the year under review, the company made the profit of Rs. 2.3 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:

18th April, 2013, 30th April, 2012, 30th June, 2012, 31st July 2012, 28th August, 2012, 31st October, 2012, 31st January, 2013, 20th February, 2013 and 31st March, 2013.

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 2013	Other Mandatory Committee** membership as at 31 st March 2013	
					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	9	Yes	NIL	NIL	NIL
Mr. Jayeshkumar B. Shah	Non - Executive Director	9	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				
		30.04.2012	30.06.2012	31.07.2012	30.10.2012	30.01.2013
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			
		30.04.2012	30.07.2012	30.10.2012	31.03.2013
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				
			30.04.2012	30.07.2012	30.09.2012	31.10.2012	31.01.2013
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
28/05/2012	AGM	11.30 A.M.	12/A, SWASTIK CHAMBERS, NR. C.U. SHAH COLLAGE, INCOME – TAX, AHMEDABAD – 380 014
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

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

CODE OF CONDUCT

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

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

DISCLOSURE

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

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

MEANS OF COMMUNICATION

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

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting:
(Date, Time and Venue)

Date: 30/09/2013

Time: 11.30 A.M.

Venue: FF/17, PARISEEMA COMPLEX,
ABOVE JAMMU KASHMIR BANK,
NR. BODYLINE, C. G. ROAD,
AHMEDABAD – 380 009

Financial Calendar:

1st April 2012 to 31st March 2013

Date of Book Closure:

25th September, 2013 To 30th September, 2013

Dividend Payment Date:

No dividend declared.

Compliance Officer

Mr. Chintan V. Shah

Tentative Financial Calendar

Publication of Quarterly Results ending 30 th June, 2013	Last week of July 2013
Publication of Quarterly Results ending 30 th Sep. 2013	Last week of Oct. 2013
Publication of Quarterly Results ending 31 st Dec. 2013	Last week of Jan. 2014
Publication of Quarterly Results ending 31 st March 2014	Last week of April 2014

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, 2013

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, 2013

	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 2012 to 31st March 2013 : 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
FF/17, Pariseema Complex,
Above Jammu Kashmir Bank,
Nr. Bodyline, C. G. Road,
Ahmedabad – 380 009

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 31.03.13 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, 2012 to 31st March, 2013 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, 2002, 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 : 02.09.2013

For , D.A. RUPAWALA & ASSOCIATES

Chartered Accountants

Firm Reg. No. 108902W

Sd/-

(D. A. Rupawala)

Proprietor

Mem. No. 3674

Auditor's Report

To,
Members of

Frontline Financial Services Limited

Report on Financial Statements

1. We have audited the accompanying Financial Statements of **Frontline Financial Services Limited** which comprise the Balance Sheet as at 31st March 2013, Profit and Loss Account for the year then ended, and other explanatory information.

Management's Responsibility for the Financial Statements:

2. Management of the Branch is responsible for the preparation of these Financial Statements that give true and fair view of the financial position and financial performance of the Branch in accordance with the Banking Regulation Act, complying with Reserve Bank of India Guidelines from time to time. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility:

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The Procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanation given to us, read with the Memorandum of Changes mentioned in paragraph 11 below, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Branch as at March 31, 2013; and
- (b) in the case of Profit and Loss Account, of the **Profit** for the year ended on that date;

Report on Other Legal and Regulatory Requirements

7. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;

8. Subject to the limitations of the audit as indicated in Paragraphs 3 to 5 above and paragraph 10 below, we report that:

We further report that:

- The Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of account and returns;
- 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;
- In our Opinion, the Balance Sheet and Statement of Profit & Loss Account comply with the Accounting Standards referred to in subsection (3C) of section 211 of the companies Act, 1956.
- In our opinion, proper books of account as required by law have been kept by the branch so far as appears from our examination of those books;
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit and have found them to be satisfactory.
- On the basis of written representation received from the directors as on March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2013, from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- Since Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for, D.A.Rupawala & Associates
Chartered Accountants

Sd/-

(Dawoodi Rupawala)

Proprietor

Firm No. 108902W

Membership : 37674

PLACE : AHMEDABAD

Date : Sept 2, 2013.

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Parikh Herbals Limited. on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

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

(b) All the Assets have 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.

(c) There is no Depreciation calculate on the Fixed Assets.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company. NIL

(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company. – 61,88,380/-
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has no an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, No maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have not been made and maintained.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no amounts payable in respect of wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

14. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For D.A.Rupawala & Associates

Chartered Accountants

Sd/-

(Dawoodi Rupawala)

Proprietor

Place: Ahmedabad

Firm No. 108902W

Date: 02/09/2013

Membership : 37674

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 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.
 - (c) There is no Depreciation calculate on the Fixed Assets.
- 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 2013

(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, D.A.Rupawala & Associates
Chartered Accountants

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

PLACE : AHMEDABAD
Date : Sept 2, 2013.

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 :

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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 not Calculated.

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

**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.

	31-03-2013	31-03-2012
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 end of the Year 31<sup>st</sup> March 2013 is not Physically Verified. Subject to Confirmation from 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/-**

**DIRECTOR**

**SD/-**

**DIRECTOR**

PLACE: AHMEDABAD

DATE : Sept 2, 2013

PLACE : AHMEDABAD

DATE : Sept 2, 2013



FRONTLINE FINANCIAL SERVICES LIMITED

Profit and Loss statement for the year ended 31st March, 2013

(Rs.)

Particulars	Note No	For the Year end	For the Year end
		31.03.2013	31.03.2012
I. Revenue from operations	11	29,873,186	49,936,749
II. Other Income		180,259	220,210
<b>III. Total Revenue (I + II)</b>		<b>30,053,445</b>	<b>50,156,959</b>
<b>IV. Expenses:</b>			
Cost of materials consumed		-	-
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	12	29,543,136	49,138,543
Employee benefit expense		NIL	NIL
Financial costs		NIL	NIL
Depreciation and amortization expense		-	-
Other expenses	13	170,825	555,836
Transfer to Preliminary Expenses		-	-
<b>Total Expenses</b>		<b>29,713,961</b>	<b>49,694,379</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	339,484	462,580
VI. Exceptional Items			
VII. Profit before extraordinary items and tax (V - VI)		339,484	462,580
VIII. Extraordinary Items			
IX. Profit before tax (VII - VIII)	(VII-VIII)	339,484	462,580
X. Tax expense:			
(1) Current tax		104,901	142,937
(2) Deferred tax		-	-
XI. Profit(Loss) from the period from continuing operations	(IX - X)	234,583	319,643
XII. Previous Year Opening Bal.		3,983,801	3,664,158
XIII. Tax expense of discounting operations			
XIV. Profit/(Loss) from Discontinuing operations	(XII - XIII)	3,983,801	3,664,158
XV. Profit/(Loss) for the period	(XI + XIV)	4,218,384	3,983,801
XVI. Earning per equity share:			
(1) Basic			
(2) Diluted			

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  
Director

Ahmedabad, Sept 02nd, 2013

**Note . :1 SHARE CAPITAL**

	As at March 31,2013	As at March 31,2012
<b>Authorised</b>		
i) 60,00,000 equity shares of Rs. 10 Each	60,000,000	60,000,000
<b>Issued, Subscribed and fully paid up</b>		
i) 59,01,100 equity shares of Rs. 10 Each	59,011,000	59,011,000
Total	59,011,000	59,011,000

**a) Reconciliation of number of Shares**

	No. Of Shares	As at March 31,2013	No. Of Shares	As at March 31,2012
<b>Equity Shares</b>				
Opening Balance	6,000,000	60,000,000	6,000,000	60,000,000
Addition During the Year	NIL	NIL	NIL	NIL
Closing Balance	6,000,000	60,000,000	6,000,000	60,000,000

**Note . :2 RESERVES & SURPLUS**

	As at March 31,2013	As at March 31,2012
<b>a) Profit &amp; Loss / General Reserves</b>		
Opening Balance	3,983,801	3,664,158
Add : Current Year Profit / Loss	234,583	319,643
Closing Balance	4,218,384	3,983,801
<b>Total</b>	<b>4,218,384</b>	<b>3,983,801</b>

**Note . : 3 LONG TERM BORROWINGS**

	As at March 31,2013	As at March 31,2012
Long Term Borrowings Consist of the following		
a) Unsecured Loans		
Other borrowings (from entities other than banks)	6,188,380	-
<b>Total</b>	<b>6,188,380</b>	<b>-</b>

Obligation under finance lease are secured against fixed assets obtained under finance lease arrangements.

**Note . : 4 TRADE PAYABLE**

Sundry Creditors Consists of Following

	As at March 31,2013	As at March 31,2012
a) Trade Payable	2,224,828	1,263,135
b) Other Creditors	-	-
<b>Total</b>	<b>2,224,828</b>	<b>1,263,135</b>

**Note . :5** **SHORT - TERM PROVISIONS**

Short Term Provisions Consists of Followings

	As at March 31,2013	As at March 31,2012
i) Provisions for Expenses	25,000	-
iii) Provision for Income Tax	365,611	260,710
<b>Total</b>	<b>390,611</b>	<b>260,710</b>

**Note . :6** **CURRENT INVESTMENTS**

Investment consist of Following

	As at March 31,2013	As at March 31,2012
A) Plots at Sanand	5,220,000	5,220,000
B) Premises	4,780,000	4,780,000
<b>Total</b>	<b>10,000,000</b>	<b>10,000,000</b>

**Note . :7** **INVENTORIES**

Inventories consist of Following

	As at March 31,2013	As at March 31,2012
A) Finished Goods	4,464,537	4,502,740
<b>Total</b>	<b>4,464,537</b>	<b>4,502,740</b>

**Note . :8** **TRADE RECEIVABLES (unsecured)**

Trade Receivable consist of Following

	As at March 31,2013	As at March 31,2012
A) Over Six Months from the date of they due Considered Good	-	-
B) Others Considered Good	50,525,267	49,015,062
<b>Total</b>	<b>50,525,267</b>	<b>49,015,062</b>



**Note . : 9 CASH AND BANK BALANCES**

Cash &amp; Bank Balances consist of Following

		As at March 31,2013	As at March 31,2012
A)	Cash & Cash Equivalents		
	Bank Balance with Banks		
	i) In Current Accounts * With SBI	307	10,843
	ii) Cash on Hand	5,826,899	54,418
	<b>Total</b>	<b>5,827,206</b>	<b>65,261</b>

**Note . : 10 SHORT - TERM LOANS AND ADVANCES (unsecured)**

Short Term loans &amp; Advances consist of Following

		As at March 31,2013	As at March 31,2012
A)	Considered good		
	i) Recovable In Cash or in Kind or For which value To be Received	780,177	499,567
	ii) Others	-	-
	iii) Tds Receivable	-	-
	iv) Other Assets	-	-
B)	Considered not good	-	-
	<b>Total</b>	<b>780,177</b>	<b>499,567</b>

**Note No. : 11****Revenue From Operations**

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Indirect Income</b>		
Sales Income	29,873,186	49,936,749
Other Income	-	-
<b>Total</b>	<b>29,873,186</b>	<b>49,936,749</b>

**Note No. : 12****Change In Inventories**

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Opening Stock	4,502,740	-
Add: Purchase During The Year	29,504,933	53,641,283
Less: Closing Stock	4,464,537	4,502,740
<b>Total</b>	<b>29,543,136</b>	<b>49,138,543</b>

**Note No. : 13****Administrative Expenses**

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Bank Charges	3,920	850
BSE Compliance Expenses	-	29,087
Conveyance Expenses	15,555	65,489
Electricity Expense	-	24,235
Income Tax (AY 11-12)	-	28,007
Postage and Courier Expenses	10,334	7,795
Audit Fees Expenses	25,000	-
Professional Fees	27,500	25,000
Salary Expense	25,000	232,740
Site Expenses (Construction Work)	25,326	125,468
Stationery Expense	9,226	10,795
Telephone Expense	-	6,370
Misc. Office Expenses	13,964	-
Accounts Fees Expenses	15,000	-
<b>Total</b>	<b>170,825</b>	<b>555,836</b>

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

<b>Particulars</b>	<b>Total `</b>	<b>Per share `</b>
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

**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 is

<b>Name of Assets</b>	<b>Realisable Value</b>	<b>Value in Balance Sheet</b>	<b>Opinion of Board</b>

Note 5A Disclosure pursuant to Note no. I (i), (ii), (iii); Note no. J (i),(ii); Note

	Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
		Opening Balance	Additions/ (Disposals)	31st March,2013	Opening Balance	Depreciated on charge for the year	Adjustment due to revaluations	31st March,2013	31st March,2012
		-	-	-	-	-	-	-	-
	<b>Tangible Assets</b>								
1	Air Conditioner	2,636	-	2,636	-	-	-	2,636	2,636
2	Car	422,320	-	422,320	-	-	-	422,320	422,320
3	EPABX	2,438	-	2,438	-	-	-	2,438	2,438
4	Furniture and Fixture	6,310	-	6,310	-	-	-	6,310	6,310
5	Office Equipment	2,312	-	2,312	-	-	-	2,312	2,312
	<b>Total</b>	<b>436,016</b>	<b>-</b>	<b>436,016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>436,016</b>	<b>436,016</b>

<b>Employee Benefits Expense . : Note. 1</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>
	\	\
(a) Salaries and incentives	-	-
(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
<b>Total</b>	-	-

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

<b>Payments to the auditor as . : Note.2</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>
	\	\
a. auditor		-
b. for taxation matters	12,000.00	
c. for company law matters	3,000.00	-
d. for management services	NIL	NIL
e. for other services	NIL	NIL
f. for reimbursement of expenses	NIL	NIL
<b>Total</b>	15,000.00	-

5		<b>Additional Information</b>	<b>Remarks</b>
		A Company shall disclose by way of notes additional information regarding aggregate expenditure and income on the following items:-	
(i)	(a)	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)	<u>Any item of income or expenditure which exceeds one per cent of the revenue from operations or Rs.1,00,000, whichever is higher.</u>	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,	Note 2
	(k)	Details of items of exceptional and extraordinary nature;	NIL
	(l)	Prior period items;	NIL

(ii)	(a)	In the case of manufacturing companies,-	N.A.
	(1)	Raw materials under <b>broad heads</b> .	
	(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 <del>company</del> under broad heads.	
	(c)	In the case of companies rendering or supplying services, gross income derived from services rendered or supplied under broad heads.	
	(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.	Same as Old Schedule VI
	(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.	Same as Old Schedule VI
	(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.	
	(b)	Power and fuel.	NIL
	(c)	Rent.	NIL
	(d)	Repairs to buildings.	--
	(e)	Repairs to machinery.	NIL
	(g)	Insurance .	NIL
	(h)	Rates and taxes, excluding, taxes on income.	
	(i)	Miscellaneous expenses,	0
(vii)	(a)	Dividends from subsidiary companies.	Same as Old Schedule VI
	(b)	Provisions for losses of subsidiary companies.	

(viii)	The profit and loss account shall also contain by way of a note the following information, namely:-	Same as Old Schedule VI
a)	Value of imports calculated on C.I.F basis by the company during the financial year in respect of -	
	I. Raw materials; II. Components and spare parts; <del>III. Capital goods;</del>	NIL
b)	Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees, <del>interest and other matters;</del>	NIL
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 <del>consumption;</del>	
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 <del>the dividends related;</del>	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; <del>IV. Other income;</del>	
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>	



M/s **FRONTLINE FINANCIAL SERVICES LIMITED.**

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR

ENDED 31ST MARCH, 2013

Schedule -

Notes to Balance sheet and Profit & Loss Account

1. **Significant Accounting Policies-**

i) Basis of Accounting :

Financial Statement is prepared under historical cost convention on a accrual basis in accordance with the requirements of the Companies Act. 1956.

ii) Fixed Assets and Depreciation

a) Depreciation on Fixed Assets is Not Calculated.

b)

i) INVENTORIES

The Inventory are stated at Cost or NRV whichever is less.

ii) CONTINGENT LIABILITIES

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

2. Deferred Tax

The figure of Differed Tax is minor, so no Provision made for Deferred Tax.

Deferred Tax Liability/Assets

-----

On account of Depreciation on Fixed Assets                      Rs.    Nil

3. None of the employees of the Company has crossed the Limits Prescribed u/s. 217 (2A) of the Companies ( Particulars of Employees ) Amendment Rules, 1988 during the year.

...2

**M/s FRONTLINE FINANCIAL SERVICES LIMITED.**

-2-

4. (a) Value of Import calculates on CIF basis
- |                             | Current year | Previous year |
|-----------------------------|--------------|---------------|
| 1. Raw Material             | N.A.         | (N.A.)        |
| 2. Components & Spare Parts | N.A.         | (N.A.)        |
| 3. Capital Goods            | N.A.         | (N.A.)        |
- (b) Expenditure in Foreign Currency Nil Nil
- (c) Amount remitted in foreign currency Nil Nil  
on account of dividend to Non Resident
5. Auditors Remuneration
- |               | As at<br>2012-2013 | As at<br>2011-2012 |
|---------------|--------------------|--------------------|
| a) Audit Fees | 25,000.00          | 25,000.00          |
|               | =====              | =====              |
6. In the opinion of the Board, Current Assets, Loans and Advances have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business and are subject to confirmation.
7. Additional Information under Schedule VI of the Companies Act, 1956 : Nil
8. Previous Year's figure have been re-grouped / rearranged wherever essential.
9. 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.
10. Cash on hand at the year end certified by the management. Moreover we are not physically verified the Cash Balance as on 31-03-2013.

FOR, D.A. Rupawala & Associates

FOR, FRONTLINE FINANCIAL SERVICES LIMITED

**CHARTERED ACCOUNTANTS**

**SD/-**

**(Dawoodi Rupawala)**

PROPRIETOR

Membership # 37674

FRN No. 108902W

**SD/-**

**DIRECTOR**

**SD/-**

**DIRECTOR**

Place : Ahmedabad  
Date : 2<sup>ND</sup> September, 2013

Place : Ahmedabad  
Date : 2<sup>ND</sup> September, 2013

# FRONTLINE FINANCIAL SERVICES LIMITED

Registered office :FF/17, PARISEEMA COMPLEX, ABOVE JAMMU KASHMIR BANK, NR.  
BODYLINE, C. G. ROAD, AHMEDABAD – 380 009

## 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 30<sup>th</sup> day of September, 2013 at 11:30 A.M. at FF/17, Pariseema Complex, Above Jammu Kashmir Bank, Nr. Bodyline, C. G. Road, Ahmedabd – 380 009

Ledger Folio No.....

No. of Share held.....

.....  
Member's/Proxy's Signature

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

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## 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 30<sup>th</sup> day of September, 2013 at 11:30 A.M. at FF/17, Pariseema Complex, Above Jammu Kashmir Bank, Nr. Bodyline, C. G. Road, Ahmedabd – 380 009 and at any adjournment thereof.

Signed this ..... day of .....2013.

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.