



**Frontline**  
BUSINESS SOLUTIONS

Frontline Business Solutions Ltd.



*20<sup>th</sup> Annual report 2012 - 2013*

**BOARD OF DIRECTORS**

<b>Mr. Natwar Sureka</b>	-	<b>Chairman &amp; Managing Director</b>
<b>Mrs. Manju Sureka</b>	-	<b>Whole-Time Director</b>
<b>Mr. Brijkishore Ruia</b>	-	<b>Director</b>
<b>Mr. Chirag Parekh</b>	-	<b>Director</b>

**BANKERS**

ICICI Bank  
HDFC Bank  
Indusind Bank  
Kotak Mahindra Bank  
Corporation Bank

**STATUTORY AUDITORS**

P.C.Baradiya & Co  
Chartered Accountants

**REGISTERED OFFICE**

A/9, The Parle Colony Co-Operative Housing Society Limited,  
Sahakar Road, Vile Parle (East), Mumbai - 400057

**REGISTRAR AND TRANSFER AGENT**

**Universal Capital Securities Private Limited**  
(Formerly known as Mondkar Computers Private Limited)  
21, Shakil Niwas, Opp. Satya Saibaba,  
Temple, Mahakali Caves Road,  
Andheri (East), Mumbai-400 093.

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**NOTICE**

**NOTICE** is hereby given that the Twentieth Annual General Meeting of **Frontline Business Solutions Limited** will be held on Thursday, September 26, 2013 at 11.00 a.m. at A/11, The Parle CHS, Near Garware Chowk, Sahakar Road, Vileparle (E), Mumbai – 400057 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2013, Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Brijkishore K. Ruia, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint statutory auditors M/s. P. C. Baradiya & Co., Chartered Accountant to hold office from the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

**SPECIAL BUSINESS:**

4. To Consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.

**"RESOLVED THAT** Mr. Chirag Chandrakant Parekh, who was appointed with effect from July 01, 2013 as an Additional Director of the Company by the Board of Directors and who by virtue of Section 260 of the Companies Act, 1956 holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company and whose term of office shall be liable to determination by retirement by rotation."

**On behalf of the Board of Directors**

**Sd/-  
Natwar Sureka  
Chairman & Managing Director**

**Registered Office:**

A/9, Parle Colony CHS,  
Sahakar Road, Vile – Parle (East),  
Mumbai-400 057

**Place: Mumbai**

**Date: August 14, 2013**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTILED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting.
2. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange, of persons seeking re-appointment as Director, is also annexed.



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3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing to attend and vote on their behalf at the Meeting along with the attendance slip or proxy as the case may be.
4. The Register of Members and Share Transfer Books of the Company will remain closed from **September 24, 2013 to September 26, 2013** (both days inclusive).
5. Shareholders are requested to forward their queries in respect of accounts for the financial year ended March 31, 2013 to the Company at least 10 days in advance, to enable the management to keep the required information available at the Annual General Meeting.
6. Memorandum and Articles of Association is open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. to 2.00 p.m.
7. Members are requested to give their valuable suggestions for improvement of the services and are also advised to quote their E-mail Id's, telephone / facsimile no. for prompt reply of their communications.
8. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
9. The Ministry of Corporate Affairs has come out with a circular dated 29th April 2011 which allows the companies to send documents including Annual Reports and other intimation by an email. Therefore, you are requested to register your email IDs with the Registrar and Transfer Agent of the Company. The Company is already having email ID of the members holding their shares in Demat through their respective Depository Participants, The said email ID shall be considered as registered email ID for the said members unless informed otherwise to the Company or Registrar and Transfer Agent.

### **EXPLANATORY STATEMENT (Pursuant to Section 173(2) of the Companies Act, 1956)**

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#### **Item No. 4:**

Mr. Chirag Chandrakant Parekh was appointed as an Additional Director of the July 01, 2013. He holds office till conclusion of ensuing Annual General Meeting. The Company has received notice under Section 257 of the said Act from a member signifying his intention to propose candidature of Mr. Chirag Chandrakant Parekh for appointment as Director of the Company. Mr. Chirag Chandrakant Parekh does not hold any equity shares in the Company. None of the Directors of the Company may be considered to be interested in the passing of the Resolution except the appointee himself. This may also be treated as an abstract and memorandum issued pursuant to Section 302 of the Companies Act, 1956.

**On behalf of the Board of Directors**

**Sd/-  
Natwar Sureka  
Chairman & Managing Director**

**Registered Office:**  
A/9, Parle Colony CHS,  
Sahakar Road, Vile – Parle (East),  
Mumbai-400 057

**Place: Mumbai  
Date: August 14, 2013**

**DIRECTORS' REPORT**

To,  
The Members,

We have pleasure in presenting the 20<sup>th</sup> Annual Report of the Company along with the Audited Statements of Accounts for the year ended March 31, 2013. The summarized financial results are given below.

**FINANCIAL HIGHLIGHTS:**

(₹ in Hundred)

<b>FINANCIAL RESULTS:</b>	<b>2012 – 2013</b>	<b>2011 – 2012</b>
Total Income	17,65,326.37	13,25,213.44
Total Expenditure excluding Depreciation	17,17,669.46	12,36,522.08
<b>Profit Before Interest, Depreciation &amp; Taxation</b>	<b>47,656.91</b>	<b>88,691.36</b>
Less: Interest Charges	-	-
Profit Before Depreciation & Taxation	47,656.91	88,691.36
Less: Depreciation	6,923.22	6,306.09
<b>Profit Before Taxation</b>	<b>40,733.69</b>	<b>82,385.27</b>
Less: Current Tax	7,761.80	-
Less: Previous Year Tax	12,652.37	-
Less: Deferred Tax	10,139.28	19,323.92
<b>Profit After Taxation</b>	<b>10,180.24</b>	<b>63,061.34</b>
Balance Brought Forward from Previous Year	(111,426.27)	(174,487.61)
Profit/(Loss) Carried to Balance Sheet	(98,006.36)	(111,426.27)

**PERFORMANCE REVIEW:**

During the year under review, the Company earned income of Rs. 17,65,326.37/- from as compared to previous year of Rs. 13,25,213.44/-.

**DIVIDEND:**

In view of accumulated losses, your directors do not recommend any dividend for the financial year 2012 – 2013.

**TRANSFER OF RESERVES:**

In view of accumulated losses, the Company has not transferred any amount to reserves.

**SHARE CAPITAL:**

During the year under review, 800,000 equity shares of Rs. 10/- each at a premium of Rs. 10/- in exercise of right of the warrant holder were issued to the promoters and non-promoter on preferential basis on October 30, 2012 and thereafter sub division of each equity share of the face value of Rs. 10/- each fully paid up in the capital of the Company into two fully paid up equity shares of Rs.5/- each w.e.f January 31, 2013.

As on 31st March, 2013, the paid up share capital of the Company is Rs. 10,66,20,390/- divided into 2,13,24,078 equity shares of Rs. 10/- each.

**DIRECTORS:**

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company, Mr. Brijkishore K. Ruia retires by rotation and being eligible offer himself for re-appointment.

During the year under review, Mr. Chirag Chandrakant Parekh appointed as Directors w.e.f July 01, 2013.

Mr. Nawar Sureka continues to be Managing Director, Mrs. Manju Sureka continues to be Whole-time Director and Mr. Brijkishore K. Ruia continues to be Director on the Board of Director of the Company

During the year under review, Mr. Ravi Prakash Saraf was appointed as Director w.e.f June 14, 2013 and resigned w.e.f July 01, 2013. Mr. Mahendra Hiranman More resigned w.e.f June 14, 2013.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

Management Discussion and Analysis Report for the year under review as required under Clause 49 of the Listing Agreement is presented in a separate section forming part of the Annual Report.

**DEPOSITS:**

The Company has not accepted deposits falling within the provisions of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of the Deposits) Rules, 1975 during the year under review.

**SUBSIDIARIES:**

The Company does not have any subsidiary Company.

**CORPORATE GOVERNANCE:**

Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges, the Company has complied with all the provisions of Corporate Governance and a report on corporate governance is annexed hereto and forms part of this report. A certificate from Auditors of the Company regarding compliance of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement, is appended to the Annual Report.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

In terms of Section 217(2AA) of the Companies Act, 1956, we, the Directors of Frontline Business Solutions Limited state in respect of financial year 2012 – 2013 that:

- a) in the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this act for safeguarding the

assets of the Company and for preventing and detecting fraud and other irregularities;

- d) That the directors had prepared the annual accounts for the financial year 31<sup>st</sup> March, 2013 on a going concern basis.

**AUDITORS:**

The Auditors M/s. P. C. Baradiya & Co., Chartered Accountant, Mumbai, hold office until the conclusion of the ensuing Annual General Meeting of the Company and have confirmed their eligibility and willingness to accept the office of the Auditors, if reappointed. Certificate from the Auditors has been received to the effect their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

**AUDITOR'S OBSERVATIONS:**

The Balance confirmation of some of the Debtors and Creditors were obtained after completion of Audit.

Other observations of auditor are self explanatory and do not require any further to be commented by directors in this report.

**PARTICULARS OF EMPLOYEES:**

Since none of the employees are drawing remuneration beyond the prescribed limits, there is no information to be provided in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules.

**DEPOSITORY SYSTEM:**

As on March 31, 2013, 90.08% of the Company's paid-up share capital representing 1,92,07,700 shares is in dematerialized form. In view of the numerous advantages offered by the Depository system, Members holding shares in physical mode are requested to avail of the facility of dematerialization of the Company's shares on either of Depositories.

**DISCLOSURE UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956:**

The particulars required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in Annexure-I to this Directors Report.

**GO GREEN INITIATIVE:**

The Ministry of Corporate Affairs Government of India, through its Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send the annual reports and other official documents to their shareholders electronically as part of its green initiatives in Corporate, provided the e-mail address of the shareholder is obtained by the Company from the shareholders.

This move by the Ministry will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. It will also ensure prompt receipt of communication and avoid loss in postal transit.

Keeping in view the above, your Company proposes to send documents such as the Notice of the Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc., henceforth to the shareholders in Electronic Form, to the e-mail address provided by them and/or made available to the Company by the Depositories.





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The Company solicits active cooperation of shareholders in helping the Company to implement the e-governance initiatives of the Government

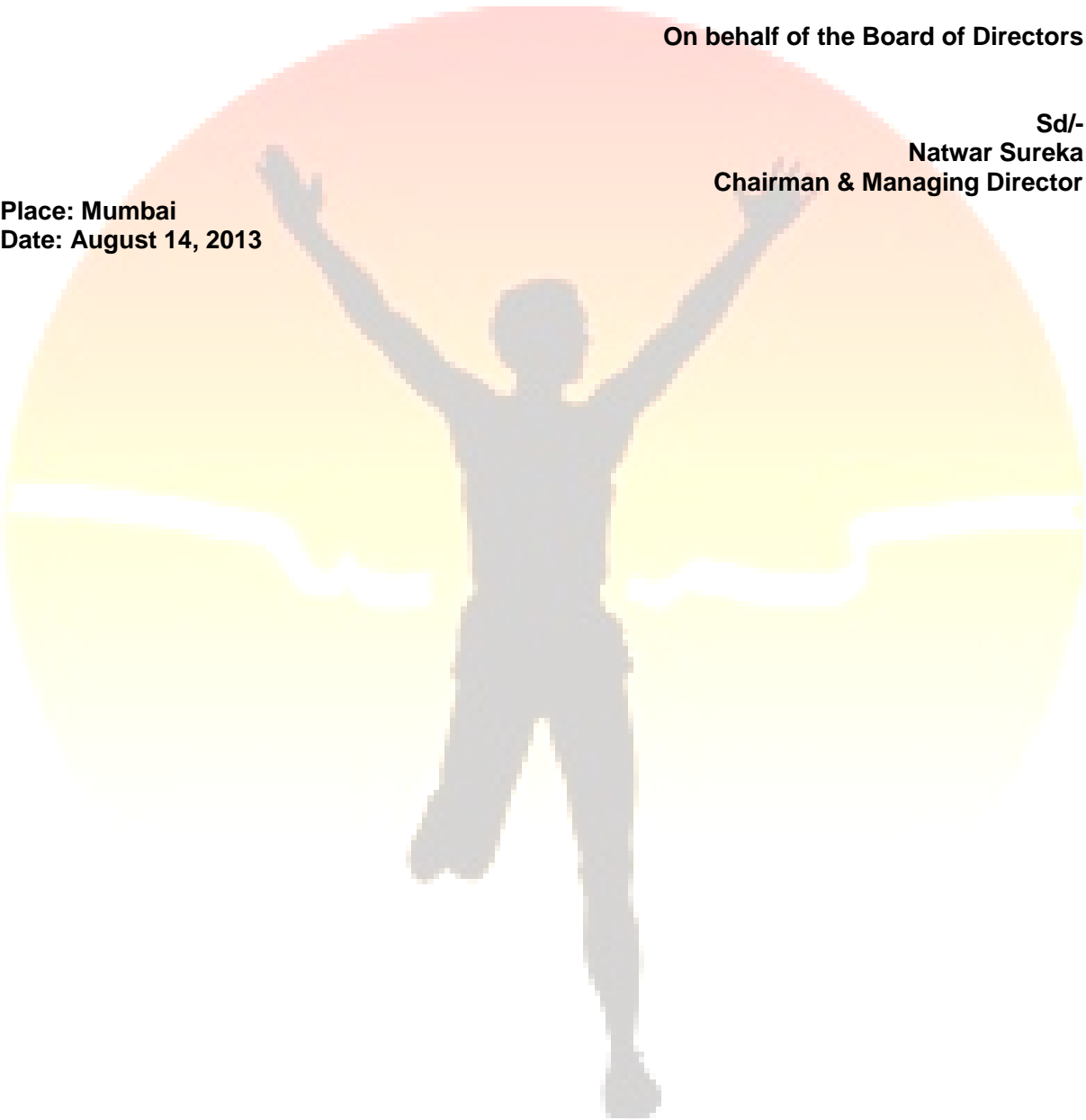
### **ACKNOWLEDGEMENT:**

Your Directors thank the Company's bankers, financial institutions, Central Government, other government authorities and shareholders for their consistent support to the Company. The Directors also sincerely acknowledge to the significant contributions made by all stake holders for their dedicated services and support to the Company.

**On behalf of the Board of Directors**

**Sd/-  
Natwar Sureka  
Chairman & Managing Director**

**Place: Mumbai  
Date: August 14, 2013**



**ANNEXURE I**

**I. CONSERVATION OF ENERGY:**

The Company is presently not carrying the manufacturing operations therefore; there is no material information to be given under Conservation of Energy and Technology Absorption.

- (a) Energy conservation measures taken – NIL
- (b) Additional investments and proposals if any, being implemented for reduction of consumption of energy – NIL
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods – NIL
- (d) Total energy consumption and energy consumption per unit of production – NIL

**FORM-A: FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

- A. Power and fuel consumption: NIL
- B. Consumption per unit of production: NIL

**II. TECHNOLOGY ABSORPTION**

Research & Development: Company has not incurred any expenditure on this account during the year under review.

**FORM-B: FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION ETC.,**

- I Research and Development: NIL
- II Technology Absorption, Adaptation and Innovation: NIL

**II. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange Earnings and outgo: Since the Company had ceased its operations; there is no Foreign Exchange Earning and Outgo during the year under review.

- I. Earnings in Foreign Exchange during the year NIL
- II. Foreign Exchange outgo during the year NIL

**On behalf of the Board of Directors**

**Sd/-  
Natwar Sureka  
Chairman & Managing Director**

**Place: Mumbai  
Date: August 14, 2013**

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENT:

Frontline is in the business of providing value added “**One Stop Shop**” solutions for HR services and Trading. In various areas we are encompassing Staffing, Sales & Marketing of telecom & financial products, Human Resources Management Solutions, KPO & BPO Solutions, Outbound Call Centers, Back Office Processes, and Event Management etc. Frontline is structured and strategically positioned to deliver these cost effective services to our customer’s business by efficiently managing process components. Frontline is in the continuously in the process of optimizing its team of talented employees to efficiently and effectively cater to the growing needs of several Indian as well as multinational companies thereby, assisting them to enhance their profitability as well as corporate image in the market. Growing from strength to strength, the Indian BPO/KPO industry has continued to widen its base globally by means of introducing new product portfolio and creating new business verticals. The growth comes from the stupendous performance of Indian service providers as well as their multinational counterparts and global giants who have leveraged on India’s fundamental strength of ‘low cost-high quality’ performance.

### OPPORTUNITIES AND THREATS:

According to the Everest Group that recently released its 2012-2013 market predictions for the outsourcing industry, general outsourcing trends indicate a robust growth of 15%–20% to reach \$4.5 billion. Their study also shows that there is a marked shift in the way businesses are now viewing outsourcing. While cost arbitrage continues to be the dominant consideration, there is also a marked trend of utilizing outsourcing as a powerful tool to gain greater strategic advantage. Our Company is proposing to position itself as a business solution provider predominantly for a medium scales business houses especially SME sector. SME sector cannot afford to hire services of top consulting firms and therefore we are strategically poised to provide them these services effectively at a reasonable cost.

On the other hand, some key threats are that we will be it is a highly competitive segment wherein the competition is with giant Multinational Service providers having decades of experience and brand equity in the market. These companies have long-standing client relationships, project performances, increase scale of service to provide one-stop solutions, maintain financial strength to make strategic investments in human resources, Outsourcing backlash and physical infrastructure through business cycles.

### SEGMENT WISE PRODUCT WISE PERFORMANCE:

Since the Company is operating under one segment only there is no need to give information under this head.

### OUTLOOK:

Indian economy to grow by 6.3% in 2013-14

The Indian economy is expected to be back on its growth trajectory in 2013-14. Its inflation-adjusted gross domestic product (GDP) is expected to grow by 6.3 per cent, after witnessing a sharp slowdown in the last two years. The GDP growth had decelerated to 6.2 per cent in 2011-12 from around nine per cent in the preceding two years. The growth is estimated to have slowed down even further to five per cent in 2012-13. The growth of the services sector is expected to accelerate to 8.0 per cent from 6.9 per cent.

With strengthening of the economy and stable economic environment, the Indian capital market is expected to perform well. Given the robust growth prospects, we seek to consolidate our position as one of the leading services provider groups in India. Our strategy for achieving this goal is to keep deepening our portfolio of financial services and products, provide effective financial solutions, effective risk management and build a business model that is well diversified across financial market activities with unique strengths in each business. We will continue to focus on our clients and endeavor to deliver unique solutions to their satisfaction and ensure accountability, transparency, professionalism and risk containment.

We will continue to capitalize on the advisory and funds raising opportunities thrown up by the growing economic activity and the outlook utilizing our team of experienced and committed professionals.

#### **RISKS AND CONCERN:**

In the course of conducting business operations, the Company is exposed to a variety of risks that are inherent to the industry it operates in. The Company operates Risk Management Framework comprising risk organization structure, procedures and the risk management policies to effectively identify and tackle risks.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

Our Company has evolved a system of strong internal controls to ensure that the assets are safeguarded and transactions are authorized, recorded and correctly reported. The internal control system is supplemented by management reviews and independent periodical reviews by the external chartered accountancy firms, which evaluate the functioning and quality of internal controls and provides assurance of its adequacy and effectiveness. The Company has an audit committee, which oversees the internal control systems and procedures of the Company's financial operating processes and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible. Audit Committee reviews such audit findings and the adequacy of internal control systems. The Statutory Auditors of the Company also interact with the Audit Committee to share their findings and the status of corrective actions under implementation.

#### **DISCUSSION AND FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

During the year, total income of the Company grew to Rs. 1765.33 Lacs as against Rs. 1325.21 Lacs in the previous year.

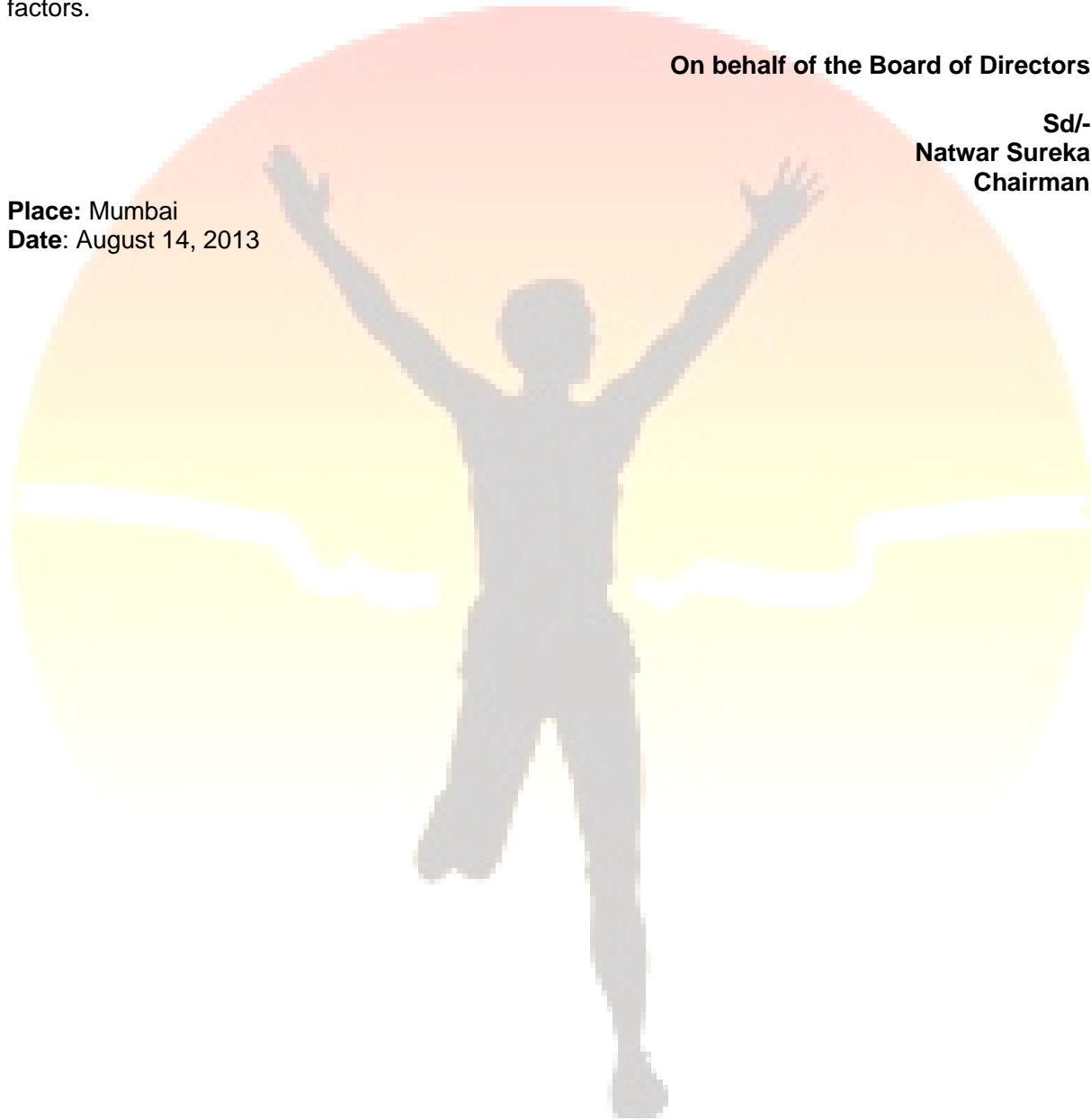
#### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT:**

Large international players have entered the Indian market as they are of the view that small and medium-sized companies will increase their outsourcing of non-core activities. Moreover, with the market becoming increasingly more competitive, large players are also expected to begin outsourcing to reduce costs and increase their efficiency.

People are an important resource at Frontline. The Company recognises the importance of human capital and values it highly. The Company lays great emphasis on proper management of human resources and believes that this is the most important ingredient for achieving excellence in performance and sustainable growth. The management constantly reviews the skill mix and takes appropriate steps to achieve desired skill mix. For upgrading the skill, special emphasis is laid on training. Selective and intensive training is being imparted to employees at various levels.

**CAUTIONARY STATEMENT:**

The statements in the Management Discussion and Analysis Report describing the Company's objectives, activities, projections, estimates, expectations or predictions may be **“forward looking statements”** within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments within the country, demand and supply conditions in the industry, changes in Government regulations, tax laws and other factors.

**On behalf of the Board of Directors****Sd/  
Natwar Sureka  
Chairman****Place:** Mumbai  
**Date:** August 14, 2013

**REPORT ON CORPORATE GOVERNANCE:**

**1. Company’s Philosophy on Corporate Governance**

Corporate Governance means achievement of excellence in business by increasing the shareholders value in the long run. This aim can be achieved by keeping in mind the needs, interests of all its stakeholders, and comply with all the rules, regulations and laws. Corporate Governance lays strong emphasis on transparency, accountability and integrity, professionalism & accountability so that it meets all the stakeholders’ aspirations. The Company looks upon good corporate governance practices as a key driver of sustainable corporate growth and long-term shareholder value creation. Your Company’s policy on Corporate Governance envisages these principles in the conduct of the Company’s business and its affairs vis-à-vis its employees, shareholders, bankers, government etc.

Clause 49 of the Listing Agreement stipulates norms and disclosures standards to be followed on the corporate governance by listed companies. The Board of Directors of Frontline Business Solutions Ltd has adequate representation of the qualified, professional, non-executive and independent directors.

**2. BOARD OF DIRECTORS**

**A Composition of Board of Directors**

The Board of Directors consists of professionals drawn from diverse fields. The Chairman of the Board is an Executive Director. The current strength of the Board is four comprising of two executive directors and two non-executive directors. Of the four directors, two are independent directors and two are non-independent. The day-to-day management is conducted by the Managing Director with the help of the other non-executive directors. The office of the Managing Director is subject to the supervision and control of the Board of Directors of the Company. The composition of Board of Directors is as given below:

- Two Promoters, Executive Director
- Two Non Promoters, Non – Executive and Independent Directors

None of the Directors on the Board is a Member of more than ten committees and Chairman of more than five committees across all Companies in which they are Directors.

The Composition of the Board of Directors, the number of other Directorship and Committee positions held by Directors of which the Director is a member/Chairman is as under:

Name of the Directors	Category of Directors	No. of Committee Membership, Chairmanships and Directorships of Public Companies (#) as on March 31, 2013		
		Committee Membership	Committee Chairmanship	Directorship
Mr. Natwar Sureka	Promoter-Executive Director	-	-	2
Mrs. Manju Sureka	Promoter-Executive Director	-	-	2
* Mr. Chirag Chandrakant Parekh	Independent-Non-Executive Director	-	-	-
Mr. Brijkishore Ruia	Independent – Non Executive Director	-	-	-
# Mr. Ravi Prakash	Independent – Non	-	-	-

Saraf	Executive Director			
\$ Mr. Mahendra Hiranman More	Independent – Non Executive Director	-	-	-

(#) Excludes Private Limited Companies, foreign companies, companies registered under Section 25 of the Companies Act, 1956

\* Mr. Chirag Chandrakant Parekh appointed on 01.07.2013

# Mr. Ravi Prakash Saraf appointed on 14.06.2013 and resigned on 01.07.2013

\$ Mr. Mahendra Hiranman More resigned on 14.06.2013

### **B Board Meetings and Attendance during the year :**

Nine meetings of the Board of Directors were held during the year ended 31<sup>st</sup> March, 2013 and the gap between two meetings did not exceed four months. The dates on which the meetings were held are as follows:

**April 25, 2012, May 14, 2012, August 10, 2012, October 30, 2012, November 30, 2012, January 15, 2013, February 05, 2013, February 09, 2013, March 08, 2013**

The Nineteenth Annual General Meeting (AGM) of the Company was held on September 28, 2012.

The attendance of the Directors at these Meetings is as under:

<b>Name of the Director</b>	<b>Designation</b>	<b>Attendance in Board Meetings during 2012 – 2013</b>	<b>Attendance at the last Annual General Meeting held on September 28, 2012</b>
Mr. Natwar Sureka	Chairman & Managing Director	9	Yes
Mrs. Manju Sureka	Director	9	Yes
Mr. Brijkishore Ruia	Director	9	Yes
\$ Mr. Mahendra Hiranman More	Director	9	Yes
* Mr. Chirag Chandrakant Parekh	Director	-	-
# Mr. Ravi Prakash Saraf	Director	-	-

\* Mr. Chirag Chandrakant Parekh appointed on 01.07.2013

# Mr. Ravi Prakash Saraf appointed on 14.06.2013 and resigned on 01.07.2013

\$ Mr. Mahendra Hiranman More resigned on 14.06.2013

### **C Non executive directors' compensation and disclosures:**

The Non-Executive Directors have not drawn any remuneration including sitting fees from the Company for the year ended 31<sup>st</sup> March, 2013. None of the Non-executive Directors have any material pecuniary relationship or transactions with the Company.

No convertible instruments/employee stock options have been granted by the Company to the Non-Executive Directors of the Company.

### **D Code of conduct:**

The Board has laid down a code of conduct for all Board members and senior management of the Company and all board members and senior management personnel are affirming its compliance on an annual basis. The required declaration of this compliance from CEO is presented herewith.

**DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To,  
**The Members of Frontline Business Solutions Limited**

I, Natwar Sureka, Chairman & Managing Director of Frontline Business Solutions Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2013.

Sd/-  
**Natwar Sureka**  
**Chairman & Managing Director**

**Mumbai, August 14, 2013.**

**3. AUDIT COMMITTEE:**

**a. Composition:**

The Audit Committee comprises of Three Directors. Out of three directors, two of them are Non Executive and Independent Directors and one Director is a Non - Executive and Non Independent Director. All the Directors possess knowledge of corporate finance, accounts and company law. An Independent, Non Executive Director acts as Chairman of the Committee Meetings. The Statutory Auditors are also invited to the meetings. The quorum of the Audit Committee is two members.

The terms of reference stipulated by the Board to the Audit Committee are as per Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms formulated by the Board.

The Audit Committee of the Company is made up of the following directors:

<b>Name of the Director</b>	<b>Category</b>	<b>Position</b>
Mr. Brijkishore Ruia	Non - Executive, Independent	Chairman
*Mr. Chirag Parekh	Non - Executive, Independent	Member
Mrs. Manju Sureka	Executive, Non – Independent	Member
\$ Mr. Mahendra Hiranman More	Non - Executive, Independent	Member

\* Mr. Chirag Chandrakant Parekh appointed on 01.07.2013

\$ Mr. Mahendra Hiranman More resigned on 14.06.2013

During the financial year ended March 31, 2013, four Audit Committee meetings were held respectively on **May 14, 2012, August 10, 2012, October 30, 2012 and February 05, 2013.** The composition of the audit committee and numbers of meetings attended by each member were as follows:

<b>Name of the Director</b>	<b>No. of Meetings attended</b>
Mr. Brijkishore Ruia	4
*Mr. Chirag Parekh	-
Mrs. Manju Sureka	4
\$ Mr. Mahendrakumar More	4

\* Mr. Chirag Chandrakant Parekh appointed on 01.07.2013

\$ Mr. Mahendra Hiranman More resigned on 14.06.2013



The role of the Audit Committee is to monitor and provide effective supervision of the Company's financial reporting process with a view to ensure that the financial statements are accurate, sufficient and credible.

Terms of reference of Audit Committee as defined by the Board are:

- a. The scope of the Audit Committee includes:
  - I. Review of financial statements before they are submitted to the Board for adoption.
  - II. Recommending the appointment or removal of statutory auditors, fixation of audit fees and approval for payment for other services provided by the auditors.
  - III. Review of quarterly, half yearly and yearly financial statements before they are presented to the Board, focusing inter alia upon –
    - Accounting Policies and any changes thereto.
    - Ensure compliance with the Accounting Standards.
    - Compliance with the laws, rules, regulations and notifications issued by the Stock Exchange and other regulatory authorities relating to the preparation and disclosure of financial statements.
    - Qualifications in draft audit report, if any.
    - Significant issues arising out of audit.
    - The going concern assumption.
    - Major accounting entries based on exercise of judgment by management.
    - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management or relatives, etc. that may have potential conflict with the interest of the Company at large.
- b. Review with the management, auditors the adequacy of internal control systems.
- c. Discussions with the Statutory Auditors on matters relating to internal controls, periodic financial statements and any significant findings and follow up thereon.
- d. Review of the Company's financial and risk management policies.
- e. Carry out any other function as is mentioned in the terms of reference to the Audit Committee.

#### **4. REMUNERATION/COMPENSATION COMMITTEE:**

Mr. Natwar Sureka was appointed as a Managing Director of the Company with effect from June 20, 2008 at no remuneration therefore the Board members have not constituted remuneration committee pursuant to the Listing Agreement. Therefore, relevant reporting under this head in pursuance of the Listing Agreement is not applicable.

##### **Executive Directors**

##### **Mr. Natwar Sureka**

Mr. Natwar Sureka was appointed a Managing Director of the Company with effect from June 20, 2008 for a period of five years. Subsequently the Company has passed a resolution for payment of remuneration of ` 200,000/- p.m. for his remaining tenure with effect from April 1, 2011.

##### **Mrs. Manju Sureka**

Mrs. Manju Sureka was appointed a Director of the Company with effect from April 6, 2008. Subsequently, Mrs. Manju Sureka was appointed as an Executive Director for a period of five years with effect from April 1, 2011 at a remuneration of ` 200,000/- p.m.

The Remuneration/Compensation Committee of the Company is made up of the following directors:

Name of the Director	Category	Position
Mr. Brijkishore Ruia	Non-Executive, Independent	Chairman
* Mr. Chirag Parekh	Non – Executive, Independent	Member
\$ Mr. Mahendra Hiranman More	Non – Executive, Independent	Member

\* Mr. Chirag Chandrakant Parekh appointed on 01.07.2013

\$ Mr. Mahendra Hiranman More resigned on 14.06.2013

#### **5. SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE:**

During the financial year ended March 31, 2013, four Shareholders Grievance Committee meetings were held respectively on **May 14, 2012, August 10, 2012, October 30, 2012 and February 05, 2013.**

The Shareholders Grievance Committee of the Company is made up of the following directors:

Name of the Director	Category	Position
Mr. Brijkishore Ruia	Non-Executive, Independent	Chairman
Mrs. Manju Sureka	Executive, Non – Independent	Member
\$ Mr. Mahendra Hiranman More	Non – Executive, Independent	Member

\$ Mr. Mahendra Hiranman More resigned on 14.06.2013.

The Committee normally deals with various matters relating to:

- Transfer / transmission of shares
- Consolidation / splitting of folios
- Issue of new share certificate for lost, rematerialized etc. share certificates.
- Investor grievances and redressal mechanisms including measures to improve the Investor Relations.
- Complaints of shareholders and letters from Stock Exchanges, SEBI and Department of Company Affairs on matters relating to transfer of shares, non - receipt of annual report etc.

The main intention of the committee is to service the shareholders more expeditiously and at the same time meet the requirement as specified under Clause 49 of the listing agreement of the Stock Exchange

During the year, the Company has not received complaint and there were no complaints outstanding as on March 31, 2013.

#### **6. SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary Company.

#### **7. DISCLOSURES:**

##### **o Disclosures of Transactions with Related Parties:**

The details of all materially significant transactions with related parties are periodically placed before the audit committee. During the financial year 2012 – 2013, there were no materially significant transactions entered into between the Company and its promoters,

Directors or the management, or relatives, etc. that may have conflict with the interests of the Company at large.

○ **Proceeds from Preferential issue of shares/warrants etc.**

During the year under review, 800,000 equity shares of Rs. 10/- each at a premium of Rs. 10/- in exercise of right of the warrant holder were issued to the promoters and non-promoter on preferential basis on October 30, 2012.

○ **Stock Split**

During the year under review, sub division of each equity share of the face value of Rs. 10/- each fully paid up in the capital of the Company into two fully paid up equity shares of Rs.5/- each w.e.f January 31, 2013.

○ **Compliances by the Company:**

The Company is in compliance with the various requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to the capital market. During the year 2012 – 2013, no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

○ **Companies with the same group within the meaning of the Monopolies and Restrictive Trade Practices Act, 1969:**

M/s. Frontline HR Solutions Limited  
M/s. Frontline Salesmart Private Limited  
M/s. Frontline Bhoomi Vistar Private Limited  
M/s. Frontline Sales Shoppe Private Limited

○ **Details of shareholding of Directors of the Company as on 31st March, 2013:**

Mr. Natwar Sureka	647020 Equity Shares (3.03%)
Mrs. Manju Sureka	160000 Equity Shares (0.75%)
Mr. Brijkishore Ruia	Nil
*Mr. Chirag Parekh	Nil
\$ Mr. Mahendrakumar More	Nil

\* Mr. Chirag Chandrakant Parekh appointed on 01.07.2013

\$ Mr. Mahendra Hiranman More resigned on 14.06.2013

**8. MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis forms part of the Annual Report.

**9. GENERAL BODY MEETING :**

- a. Location, time and date where last three Annual General Meetings were held are given below:

AGM	DAY	DATE	TIME	VENUE
17 <sup>th</sup>	Thursday	September 30, 2010	11.00 a.m.	Nityanand Nagar No. 4 Hall, Behind Better Home, Sahar Road, Andheri (East), Mumbai - 400 069.
18 <sup>th</sup>	Thursday	September 30, 2011	12.00 p.m.	Nityanand Nagar No. 4 Hall, Behind Better Home, Sahar Road, Andheri

				(East), Mumbai - 400 069.
19 <sup>th</sup>	Friday	September 28, 2012	12.30 p.m.	A-9, Parle Colony CHS, Sahakar Road, Vile Parle (E), Mumbai – 400 057

- b. The following Special Resolutions were passed at the previous three Annual General Meetings:

**AGM held on September 30, 2010:**

No Special Resolution was passed at the AGM.

**AGM held on September 29, 2011:**

Preferential allotment of 9,50,000 equity shares under section 81(1A) of the Companies Act, 1956

**AGM held on September 28, 2012:**

No Special Resolution was passed at the AGM.

- c. Details of Resolutions passed through Postal Ballot during the year 2012 – 2013 (Under Section 192A):

The Company has not passed any special resolution through Postal Ballot during the year 2012 – 2013 under Section 192A of the Companies Act, 1956.

- d. Details of any Special Resolutions is proposed to be conducted through Postal Ballot:

No resolutions are proposed to be passed by conducting a postal ballot.

**10. COMPLIANCE CERTIFICATE FROM AUDITORS:**

Compliance Certificate for Corporate Governance from M/s. P. C. Baradiya & Co., Chartered Accountants is annexed to this report.

**11. CEO CERTIFICATION:**

As required under Clause 49 of the Listing Agreement, the CEO certification on the financial statements and other matters has been obtained from Mr. Natwar Sureka, Managing Director of the Company and is annexed with this report.

**12. MEANS OF COMMUNICATION:**

All material information and financial results of the Company is promptly sent through fax and hand delivery to the Bombay Stock Exchange immediately after the same are considered by the Board.

**13. GENERAL SHAREHOLDERS INFORMATION:**

**a) Annual General Meeting:**

<b><i>Date and Time of Meeting</i></b>	<b><i>Venue of the Meeting</i></b>
September 26, 2013 at 11.00 a.m	A/11, The Parle CHS, Near Garware Chowk, Sahakar Road, Vileparle (E), Mumbai – 400057

**b) Financial Year**

The Company follows April - March as its financial year. The results for every quarter beginning from April will be declared within the time period prescribed under the Listing Agreement

**c) Dates of Book Closure:**

September 24, 2013 to September 26, 2013 (both days inclusive)

**d) Dividend Payment Date: N.A.****e) Listing on Stock Exchange:**

The Equity Share of the Company are listed at the Bombay Stock Exchange Limited and the annual listing fees payable for the financial year 2012 – 2013 have been paid within the prescribed limit to the Bombay Stock Exchange Limited.

**f) Stock Code:**

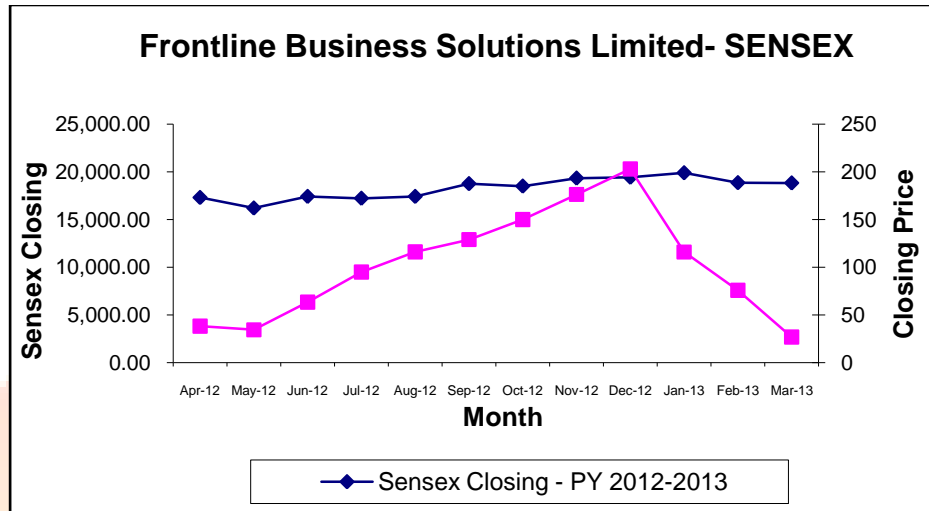
Bombay Stock Exchange Limited (BSE) : **521167**

**Market Price Data:**

The monthly high and low quotations traded on the Bombay Stock Exchange Limited:

	<b>Equity Shares</b>	
<b>Month</b>	<b>High Price</b>	<b>Low Price</b>
April '2012	43.00	35.10
May '2012	39.90	28.00
June '2012	63.45	34.25
July '2012	96.00	62.30
August '2012	117.80	93.15
September '2012	134.75	116.30
October '2012	156.70	127.30
November '2012	181.15	150.20
December '2012	205.00	176.00
January '2013	232.00	114.20
February '2013	124.50	76.05
March '2013	68.45	26.90

*High and low are in rupees per traded share*

**g) Stock Performance:**

**h) Registrar and Share Transfer Agent:**

Universal Capital Securities Private Limited  
 (formerly known as Mondkar Computers Private Limited)  
 21, Shakil Niwas, Opp. Satya Saibaba Temple,  
 Mahakali Caves Road, Andheri (E), Mumbai- 400 093

**i) Share Transfer System:**

The Company has appointed Universal Capital Securities Private Limited (formerly known as Mondkar Computers Private Limited) as Registrars and Share Transfer Agents. The shares lodged for physical transfer/ transmission/transposition are registered within the prescribed time period if the documents are complete in all respects. The shares in dematerialised form are admitted for trading with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). ISIN No. is INE485D01027.

**j) Category wise distribution of equity shares as on March 31, 2013:**

Sr. No.	Category of Shareholders	Total Holdings	% of Shareholdings
1.	Promoter & Promoter Group	34,08,398	15.98%
2.	Mutual Funds and UTI	960	0.005%
3.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non Govt. Inst.)	1,080	0.01%
4.	FII's/Foreign Bodies	-	-
5.	Private Corporate Bodies	93,19,676	43.70%
6.	Indian Public	80,04,710	37.54
7.	NRIs/OCBs	4,032	0.02%
8.	Clearing Member	5,85,222	2.74%
	<b>TOTAL</b>	<b>2,13,24,078</b>	<b>100.00%</b>

**Distribution of shareholding as on March 31, 2013:**

<b>No. of equity shares</b>	<b>Shareholders</b>		<b>Shareholdings</b>	
	<b>No.</b>	<b>% of holders</b>	<b>No.</b>	<b>% shares</b>
1 - 500	8465	95.585	512555	2.404
501 to 1000	144	1.626	113418	0.532
1001 to 2000	70	0.790	109221	0.512
2001 to 3000	20	0.226	51188	0.240
3001 to 4000	12	0.136	44022	0.206
4001 to 5000	15	0.169	70440	0.330
5001 to 10000	26	0.294	199594	0.936
10001 and above	104	1.174	20223640	94.839
<b>Total</b>	<b>8856</b>	<b>100.00</b>	<b>21324078</b>	<b>100.00</b>

**k) Dematerialization of Equity shares:**

90.08% of the Equity shares of the Company have been dematerialized as on March 31, 2013. The Company has entered into agreements with both National Securities Depository Limited and Central Depository Securities Limited whereby shareholders have an option to dematerialize their shares with either of the depositories.

**l) Registered office of the Company:**

Block No. A-9, Parle Colony CHS.,  
Sahakar Road, Vile – Parle (East), Mumbai – 400 057

**m) Address for investor Correspondence:**

Shareholders may correspond with the Registrar and Share Transfer Agents at:

Universal Capital Securities Private Limited  
(formerly known as Mondkar Computers Private Limited)  
21, Shakil Niwas, Opp. Satya Saibaba Temple,  
Mahakali Caves Road, Andheri (E), Mumbai- 400 093  
Tel. No.: 0252 - 2820 7203 - 05, 2825 7641  
Fax: 022 - 2820 7207

On all matters relating to transfer/dematerialization of shares, share transfer, transmission, change of address or any other query relating to Equity Shares of the Company.

The Company has designed [frontline.investor@gmail.com](mailto:frontline.investor@gmail.com) as an exclusive email ID for Shareholders for the purpose of registering complaints.

**For General Correspondence:**

Frontline Business Solutions Limited  
Block No. A-9, Parle Colony CHS.,  
Sahakar Road, Vile – Parle (East),  
Mumbai – 400 057

I, Natwar Sureka, Managing Director of Frontline Business Solutions Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the Financial Statements and the cash flow Statement for the year 2012-13 and that to the best of my Knowledge and belief;
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) 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;
2. I further state that to the best of my knowledge and belief, no transactions are entered into by the Company during the years which are fraudulent, illegal or violative of the Company's Code of Conduct. I hereby declare that all members of the Board of Directors and the Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps taken or proposed to be taken to rectify the same;
4. I have indicated to the auditors and the Audit Committee: -
  - a) Significant changes, if any, in internal control over financial reporting during the year;
  - b) Significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud, if any, wherein there has been involvement of management or an employee having a significant role in the Company's internal control system over financial reporting.

**Place:** Mumbai  
**Date:** August 14, 2013

sd/-  
**Natwar Sureka**  
**Managing Director**



**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To  
The Members of  
**M/s FRONTLINE BUSINESS SOLUTIONS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **M/s FRONTLINE BUSINESS SOLUTIONS LIMITED (“The Company”)** for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the Company with the Bombay Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Management of the Company, we certify that the Company has complied in all material respects with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For P.C. BARADIYA & CO**  
Chartered Accountants

**(K.C. KANKARIYA)**  
PARTNER  
Membership No. : 43951  
Firm Regn. No. : 101017W

MUMBAI  
14<sup>th</sup> August, 2013

**AUDITORS REPORT**

To  
The Members  
**FRONTLINE BUSINESS SOLUTIONS LIMITED**

**SOLUTIONS LIMITED**

1. **Report on the financial statements**

We have audited the accompanying financial statements of **M/s FRONTLINE BUSINESS SOLUTIONS LIMITED**, which comprise the balance sheet as at 31<sup>st</sup> March, 2013, and the statement of the profit & loss and the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. **Management's responsibility for the financial statements**

Management is responsible for the preparation of these financial statements that give a true and the fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including section 211 of the Companies Act, 1956 ("the Act"). This maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

3. **Auditor's responsibility**

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 Institute of Chartered Accountant of India. Those standard require that we comply with the ethical requirements and plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, company'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 the management, as well as evaluating the overall presentation of the financial statements.

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

4. **Emphasis of matter**

Attention is drawn to note no. 22 regarding balances of debtors, fixed assets lying with the third parties and current liabilities (including advances from customers) and secured loans as stated in the said note are in the process of confirmation/reconciliation.

5. **Opinion**

In our opinion and best of our information and according to the explanations given to us, the financial statements read together with notes thereon give the information required by Act in the manner so required and 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 the affairs of the company as at 31<sup>st</sup> March, 2013.

- b. In case of the statement of the profit and loss, of the profit for the year ended on that date, and
- c. In case of the cash flow statement, of the cash flows for the year ended on that date.

**6. Report on other legal and the regulatory requirements**

- a. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
- b. As required by section 227(3) of the Act, we report that :
  - a) 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.
  - b) In our opinion, proper books of accounts, as required by the Law, have been kept by the Company so far as appears from our examination of the books.
  - c) The Balance Sheet, the Statement of Profit and Loss Account and the Cash Flow Statement of the Company referred to in this report are in agreement with the books of Accounts .
  - d) In our opinion, the Balance Sheet and the Statement of Profit and Loss Account and the Cash Flow Statement referred in this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
  - e) On the basis of the written representation received from the Directors as on March 31, 2013 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2013 from being appointed as a director in the terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;.

**For P.C. BARADIYA & CO**  
Chartered Accountants

**(K.C. KANKARIYA)**  
PARTNER

Membership No. : 43951  
Firm Regn. No. : 101017W

MUMBAI  
14<sup>th</sup> August, 2013

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

**Referred to in paragraph "a." under Report on other legal and the regulatory requirements section of our report of even date of Frontline Business Solution Limited for the year ended 31<sup>st</sup> March, 2013**

1.	(a)	The Company has maintained proper records showing full particulars including quantitative details and location of fixed assets.
	(b)	As explained to us, the assets have been physically verified by the management at reasonable intervals in accordance with the phased programme of verification which, in our opinion, is reasonable considering the size of the Company and the nature of its fixed assets. According to the information and explanation given to us, no material discrepancies have been noticed on such physical verification.
	(c)	In our opinion and according to the information and explanation give to us, no fixed assets has been disposed off during the year and therefore does not affect the going concern assumption.
2.	(a)	The inventory of the Company has been physically verified by the Management at reasonable intervals.
	(b)	In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
	(c)	On the basis of examination of the records of the Company, we are of the opinion that the Company is maintained proper records of inventory and no material discrepancies were noticed on such physical verification.
3.	(a)	The Company has granted unsecured loan to four parties covered in the register maintained under section 301 of the Companies. The maximum amount involved during the year was Rs. 125.45 Lakh and the year-end balance of such loans was NIL. There were no stipulation as to when the interest was payable, wherever applicable. In our opinion, the rate of interest and the other terms and condition of such loans are prima facie not prejudicial to the interest of the Company.
	(b)	The Company has taken unsecured loans from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 35.31 Lakh and the year end balance of such loan was Rs. 23 Lakh. There were no stipulation as to when the interest was payable, wherever applicable. In our opinion, the rate of interest and the other terms and condition of such loans are prima facie not prejudicial to the interest of the Company.
4.		In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control procedures.

5.	In our opinion and according to the information and explanation given to us, there are no contracts or arrangements referred to in section 301 of the Companies Act, 1956 during the year to be entered in the register required to be maintain under that section. Accordingly, the question of commenting on transaction made in pursuance of such contract or arrangement does not arise.					
6.	The Company has not accepted any deposits from the Public and consequently, the directives issued by the Reserve Bank of India , the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.					
7.	In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.					
8.	The Central Government has not prescribed maintenance of cost records under Cause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of activities of the Company.					
9	(a)	According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material Statutory dues to the extent applicable with the appropriate authorities and there are no undisputed statutory dues payable for a period more than six months from the date they became payable as at 31 <sup>st</sup> March, 2013.				
	(b)	According to the records and information and explanation given to us, there are no dues in respect of Income Tax, Service Tax, Custom Duty, Wealth Tax, Excise Duty that have not been deposited with the appropriate authorities on account of any dispute except the following :				
		Name of the Statute	Nature of Dues	Amount	Period	Forum where the dispute is pending
		JCCI	Penalty	5,34,523	91-92	Appeal
		Sales Tax	Assessment Dues	6,47,571	96-97	Appeal
10.	Accumulated losses of the Company are less than 50% of its net worth. The company has earned profit during the current financial year.					
11.	The Company has not taken any loan from financial institution, banks and debenture holders and as such the question of commenting on default in repayment of dues to any financial institution, banks and debenture holder does not arise.					
12.	The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.					
13.	In our opinion, Company is not a chit fund or a nidhi/ mutual benefit fund or society and as such the provision of clause 4 (xiii) of the Order are not applicable to the Company.					
14.	In our opinion, the Company is not dealing or trading in shares, securities, debentures, and other investments and as such the provision of clause 4 (xiv) of the Order are not applicable to the company.					

15.	According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions and as such the provision of clause 4 (xv) of the Order are not applicable to the Company.
16.	The Company has not raised any term loans and as such the provisions of Clause 4 (xvi) of the Order are not applicable to the Company.
17.	According to the information and explanation given to us and on and overall examination of the balance sheet of the Company, in our opinion, the funds raised on short-term basis have, prima-facie, not been used for long term investment.
18.	The Company has allotted the shares on exercise of share warrant issued in the earlier years to the parties and Companies covered and recorded in the Register maintained under section 301 of the Companies Act, 1956. In our opinion, the price at which shares has been issued is not prejudicial to the interest of the Company.
19.	The Company has not raised any money by way of issue of debenture during the year and as such the provision of 4 (xix) of the Order is not applicable to the Company.
20.	The Company has not raised any money by public issues during the year. Accordingly clause 4 (xx) of the Order is not applicable to the Company.
21.	During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such cases by the management.
22.	Based on the audit procedures performed and on the basis of information and explanations provided by the management, no fraud on or by the Company has been noticed or reported during the course of our audit nor we have been informed by the management about any such instance.

**For P.C. BARADIYA & CO**  
Chartered Accountants

**(K.C. KANKARIYA)**  
PARTNER

Membership No. : 43951  
Firm Regn. No. : 101017W

MUMBAI  
14<sup>th</sup> August, 2013

(₹ in Hundred)

<b>FRONTLINE BUSINESS SOLUTIONS LIMITED</b>			
<b>Balance Sheet as at 31 March, 2013</b>			
<b>Particulars</b>	<b>Note No.</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's Fund</b>			
(a) Share Capital	2	1,066,203.90	986,203.90
(b) Reserves & Surplus	3	255,889.90	162,469.99
(c) Money received against share warrants	4	-	46,000.00
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	5	77,028.80	53,878.80
(b) Other Long-term liabilities	7	-	-
(c) Deferred Tax Liabilities	6	2,489.64	(21,729.55)
(d) Long Term provision		-	-
<b>4 Current liabilities</b>			
(a) Trade payables	8	502,613.86	91,336.36
(b) Other current liabilities	9	79,782.80	44,644.21
<b>TOTAL</b>		<b>1,984,008.90</b>	<b>1,362,803.72</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	12,507.75	11,467.97
(ii) Intangible assets		10,800.00	16,200.00
(b) Non-current Investments	11	635.14	635.14
(d) Long Term Loans & Advances	12	1,078,243.88	1,053,062.31
<b>2 Current assets</b>			
(a) Trade receivables	13	659,749.97	181,234.40
(b) Cash and cash equivalents	14	89,620.27	73,226.18
(c) Short-term loans and advances	15	129,940.64	23,784.82
(d) Other Current Assets	16	2,511.26	3,192.90
<b>TOTAL</b>		<b>1,984,008.91</b>	<b>1,362,803.72</b>

The accompanying notes 1 to 30 are an integral part of the financial statements

 As per our report of even dated  
 For P.C. Baradiya & Co.  
 Chartered Accountant

FRONTLINE BUSINESS SOLUTIONS LIMITED

 K.C. Kankariya  
 Partner  
 Mem. No. 43951  
 FRN: 101017W

 sd/-  
 Natwar Sureka  
 Managing Director

 sd/-  
 Manju Sureka  
 Whole-time Director

 Place: Mumbai  
 Date: August 14, 2013

<b>FRONTLINE BUSINESS SOLUTIONS LIMITED</b>			
<b>Statement of Profit &amp; Loss For The Year Ended 31st March, 2013</b>			
<b>PARTICULARS</b>	<b>Note No.</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
<b>1</b>	<b><u>REVENUE :</u></b>		
	Revenue from Operations	17	1,765,326.37
	<b>Total Revenue</b>	<b>1,765,326.37</b>	<b>1,325,213.44</b>
<b>2</b>	<b><u>EXPENSES :</u></b>		
	(a) <u>Cost of Raw Materials consumed</u> Purchase of traded goods	18	628,230.00
	(b) Employee benefits expense	19	1,042,331.91
	(c) Depreciation	10	6,923.22
	(d) Other Expenses	20	47,107.55
	<b>Total Expenses</b>	<b>1,724,592.68</b>	<b>1,242,828.17</b>
<b>3</b>	<b>Profit Before Tax (1-2)</b>	<b>40,733.69</b>	<b>82,385.27</b>
<b>4</b>	<b><u>Less : Tax Expenses</u></b>		
	Current Tax	7,761.80	
	Previous Year Tax	12,652.37	
	Deferred Tax	10,139.28	19,323.92
		<b>30,553.45</b>	<b>19,323.92</b>
<b>5</b>	<b>Profit For the Year</b>	<b>10,180.24</b>	<b>63,061.34</b>
	<b><u>EARNING PER SHARE</u></b>		
	Basic & Diluted (Face value Rs. 5/- (L.Y. Rs 10) per share)	0.05	0.64

The accompanying notes 1 to 29 are an integral part of the financial statement.

As per our report of even dated  
For P.C. Baradiya & Co.  
Chartered Accountant

FRONTLINE BUSINESS SOLUTIONS LIMITED

K.C. Kankariya  
Partner  
Mem. No. 43951  
FRN: 101017W

sd/-  
Natwar Sureka  
Managing Director

sd/-  
Manju Sureka  
Whole-time Director

Place: Mumbai  
Date: August 14, 2013



(₹ in Hundred)

<b>2. SHARE CAPITAL</b>				
Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	Rs.	No. of Shares	Rs.
<b>Authorized shares</b>				
Equity shares of Rs. 5 (L.Y. Rs.10/-) Each	25010000	1,250,500.00	12505000	1,250,500.00
<b>TOTAL</b>		<b>1,250,500.00</b>		<b>1,250,500.00</b>
<b>Issued, subscribed and fully paid-up shares</b>				
Equity shares of Rs. 5 (L.Y. Rs.10/-) Each fully paid up	21324078	1,066,203.90	9862039	986,203.90
<b>TOTAL</b>	<b>21324078</b>	<b>1,066,203.90</b>	<b>9862039</b>	<b>986,203.90</b>
<b>(a) Reconciliation of Shares outstanding at the beginning and at the end of the reporting year</b>				
Equity Shares	As at March 31, 2013		As at 31 March 2012	
	No. of Shares	Rs.	No. of Shares	Rs.
At the Beginning of the year	9862039	986,203.90	8,912,039	891,203.90
Less: Reduction of Shares		-	-	-
Add: Shares Issued against the exercise of warrants	800000	80,000.00	950,000	95,000.00
Add : Issued on Sub-division	10662039			
<b>Outstanding at the end of the year</b>	<b>21324078</b>	<b>1,066,203.90</b>	<b>9,862,039</b>	<b>986,203.90</b>

The company has allotted 6005000 equity shares as bonus in the ratio of 1:1 in the year 2009 by capitalisation of security premium and thereafter in pursuance to the order of Bombay High Court dated 25/06/2010 has reduced the share capital from Rs 12.01 Crore divided into 120100000 equity shares of Rs 10 each to Rs 1.201 Crore divided into 1201000 equity shares of Rs 10 each without payment of canceled value of the said shares to the shareholders of the company.

During the year the company has allotted 800000 equity shares of Rs 10 each at a premium of Rs 10 in exercise of right of the warrant holder and thereafter splitted the shares to face value of Rs 5 each by issuing 10662039 equity shares to the existing shareholders

**(b) Terms/ rights attached to equity shares**

1. The company has only one class of equity shares having par value of Rs.5 (P.Y. Rs.10/-) per share which rank pari-passu in all respects including voting rights and entitlement to dividend.
2. In the event of liquidation, each share carry equal rights and will be entitled to receive equal amount per share out of the remaining amount available with the Company after making preferential payments.

**(c) Details of shareholders holding more than 5% shares in the company**

Name of the shareholder	As at 31 March 2013		As at 31 March 2012	
	No.	% holding	No.	% holding
<b>Equity shares of Rs. 10 each fully paid</b>				
Violet Media Pvt.Ltd.	1,348,052	6.32%	974,026	9.88%
Frontline Bhoomi Vistar Pvt Limited	2,273,378	10.66%	1,011,689	10.26%
Blackgold Machining Works	2,435,064	11.42%	1,217,532	12.35%
Technosteel Engineering Pvt	-	0.00%	1,217,532	12.35%
Livingroom Furnitures Pvt Ltd	1,350,000	6.33%		
Deepak Vikhape	1,079,649	5.06%		

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(d) The Company does not have any holding company.

(e) There are no shares reserved for issue under options and contracts/commitments for sale of shares/disinvestments.

(f) There are no unpaid calls from any director and officer.

<b>3. RESERVES &amp; SURPLUS</b>		<b>(₹ in Hundred)</b>	
<b>Particulars</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>	
<b>Security Premium Account</b>			
As per Last Balance sheet	273,896.26	178,896.26	
Add : Premium on shares issued in exercise of warrant	80,000.00	95,000.00	
Less : Transfer to Statement of Profit and Loss	-	-	
	<b>353,896.26</b>	<b>273,896.26</b>	
<b>Surplus in the Statement of Profit and Loss</b>			
As per Last Balance sheet	(111,426.27)	(174,487.61)	
Profit for the year	10,180.24	63,061.34	
Less: Deffered Tax Liability of earlier year	14,079.91	-	
Add: MAT Credit for current year	4,667.21	-	
Add: MAT Credit for earlier year	12,652.37	-	
Add: Transferred from Share Premium	-	-	
Add: Transferred from Capital Reserve	-	-	
Add: Transferred from Capital Redemption Reserve	-	-	
<b>Net surplus in the statement of profit and loss</b>	<b>(98,006.36)</b>	<b>(111,426.27)</b>	
<b>Total</b>	<b>255,889.90</b>	<b>162,469.99</b>	

4. MONEY RECEIVED AGAINST SHARE WARRANTS (₹ in Hundred)		
Particulars	As at March 31, 2013	As at March 31, 2012
Shares Convertible Warrants	-	46,000.00
<b>TOTAL</b>	<b>-</b>	<b>46,000.00</b>

5. LONG - TERM BORROWINGS (₹ in Hundred)		
Particulars	As at March 31, 2013	As at March 31, 2012
<b>Unsecured</b>		
Loans From Others	77,028.80	53,878.80
<b>Total</b>	<b>77,028.80</b>	<b>53,878.80</b>

6. DEFERRED TAX LIABILITY (NET) (₹ in Hundred)		
The Company has recognised deferred tax in accordance with the requirement of Accounting Standard- 22 on "Accounting for Taxes on Income" as notified under the Companies (Accounting Standards) Rules - 2006. The break up of Net Deferred Tax Liability/ (Assets) is as under :		
Particulars	As at March 31, 2013	As at March 31, 2012
<b>Deferred Tax Assets</b>		
Business Loss	-	24,665.42
<b>Deferred Tax Liability</b>		
Difference in WDV as per books and under Income Tax Act	2,489.64	(2,935.87)
<b>Total</b>	<b>2,489.64</b>	<b>21,729.55</b>

7. OTHER LONG TERM LIABILITIES (₹ in Hundred)		
Particulars	As at March 31, 2013	As at March 31, 2012
<b>Total</b>	<b>-</b>	<b>-</b>

8. TRADE PAYABLES (₹ in Hundred)		
Particulars	As at March 31, 2013	As at March 31, 2012
Creditors for Purchases	499,263.91	89,622.40
Creditors for Expenses	3,349.95	1,713.96
<b>Total</b>	<b>502,613.86</b>	<b>91,336.36</b>
<b>Due to Micro, Small and Medium Enterprises.</b>	<b>Nil</b>	<b>Nil</b>
<b>Due to Others</b>	<b>502,613.86</b>	<b>91,336.36</b>

<b>9. OTHER CURRENT LIABILITIES</b>		<b>(₹ in Hundred)</b>	
<b>Particulars</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>	
Statutory dues payable	66,904.01	22,305.21	
Creditors against capital asset	7,000.00	7,000.00	
Advances from Customers	5,878.79	15,339.00	
<b>Total</b>	<b>79,782.80</b>	<b>44,644.21</b>	

**10. FIXED ASSETS**

(₹ In Hundred)

Sr. No.	Assets	Rate of Depr.	Gross Block			Depreciation			Net Block	
			As at 31-Mar-12	Addition	As at 31-Mar-13	As at 31-Mar-12	For the year	As at 31-Mar-13	As at 31-Mar-13	As at 31-Mar-12
<b>Tangible Assets</b>										
1	Computer Furniture &	16.21%	849.10	1,703.00	2,552.10	199.68	413.70	613.37	1,938.73	649.42
2	Fixture	6.33%	8,878.06	860.00	9,738.06	490.96	616.42	1,107.37	8,630.69	8,387.10
4	Office Equipments	4.75%	9,749.69	-	9,749.69	7,920.18	463.11	8,383.29	1,366.40	1,829.51
5	Air Conditioner	4.75%	631.44	-	631.44	29.50	29.99	59.49	571.95	601.94
	<b>Total</b>		<b>20,108.29</b>	<b>2,563.00</b>	<b>22,671.29</b>	<b>8,640.31</b>	<b>1,523.22</b>	<b>10,163.53</b>	<b>12,507.75</b>	<b>11,467.97</b>
<b>Intangible Assets</b>										
1	Software	20.00%	27,000.00	-	27,000.00	10,800.00	5,400.00	16,200.00	10,800.00	16,200.00
	<b>Total</b>		<b>27,000.00</b>	<b>-</b>	<b>27,000.00</b>	<b>10,800.00</b>	<b>5,400.00</b>	<b>16,200.00</b>	<b>10,800.00</b>	<b>16,200.00</b>
	<b>Total Assets</b>		<b>47,108.29</b>	<b>2,563.00</b>	<b>49,671.29</b>	<b>19,440.31</b>	<b>6,923.22</b>	<b>26,363.53</b>	<b>23,307.75</b>	<b>27,667.97</b>
	Previous Year				47,108.29	13,134.22	6,306.09	19,440.31	27,667.97	

11. NON - CURRENT INVESTMENTS (Non Trade-Unquoted)-At cost (₹ in Hundred)		
Particulars	As at March 31, 2013	As at March 31, 2012
<b>Other Investments</b>		
National Saving Certificates	635.14	635.14
<b>Total</b>	<b>635.14</b>	<b>635.14</b>

12. LONG TERM LOANS AND ADVANCES (₹ in Hundred)		
Particulars	As at March 31, 2013	As at March 31, 2012
<b>Unsecured, considered good</b>		
Tax Deducted at Source (Net of Provision)	37,522.30	18,553.56
Deferred Revenue Expenses		1,551.75
Security Deposit	3,402.00	2,957.00
Other Loans	10,20,000.00	1,030,000.00
MAT Credit entitlement	17,319.58	
<b>Total</b>	<b>1,078,243.88</b>	<b>1,053,062.31</b>

Other Loan includes share application money pending allotment in the following companies :-

(₹ In Hundred)		
Fastline Multitrade Private Limited	100,000.00	100,000.00
Sainath Herbal Care Marketing Private Limited	320,000.00	320,000.00
Shree Mangal Jewels Private Limited	145,000.00	145,000.00
Swastik Legal Consultants Private Limited	40,000.00	50,000.00
Technopoint Mercantile Company Private Limited	415,000.00	415,000.00

13. TRADE RECEIVABLES (₹ in Hundred)		
Particulars	As at March 31, 2013	As at March 31, 2012
<b>Unsecured, considered good</b>		
Due for a period less than six months	658,158.58	179,643.01
Due for a period more than 6 months	1,591.39	1,591.39
<b>Total</b>	<b>659,749.97</b>	<b>181,234.40</b>

14. CASH AND BANK BALANCES (₹ in Hundred)		
Particulars	As at March 31, 2013	As at March 31, 2012
<b>Cash and cash equivalents</b>		
<i>Balances with banks:</i>		
– On current accounts	87,927.52	69,909.82
Cash on hand	1,692.75	3,316.36
<b>Total</b>	<b>89620.27</b>	<b>73226.18</b>

15. SHORT TERM LOANS AND ADVANCES (₹ in Hundred)		
Particulars	As at March 31, 2013	As at March 31, 2012
<b>Other Advances</b>		
- Advances to Supplier	198.89	293.09
- Advances to Staff	650.00	11,940.00
-	-	-
- Loans to others	127,540.00	10,000.00
Deferred Revenue Expenses	1551.75	1,551.73
<b>Total</b>	<b>129,940.64</b>	<b>23,784.82</b>

Loans to others includes Rs NIL (Previous Year Rs 10 Lakh) from Related parties. Maximum amount outstanding during the year was Rs 125.43 Lakhs

16. OTHER CURRENT ASSETS (₹ in Hundred)		
Particulars	As at March 31, 2013	As at March 31, 2012
Prepaid Expenses	2,511.26	3,192.90
<b>Total</b>	<b>2,511.26</b>	<b>3,192.90</b>

<b>17. REVENUE FROM OPERATIONS</b>		<b>(₹ in Hundred)</b>	
<b>Particulars</b>	<b>AS AT 31.03.2013</b>	<b>AS AT 31.03.2012</b>	
Professional Fees	1,074,601.00	495,031.54	
Trading Income	688,922.50	830,181.90	
Interest Income	1,802.87		
<b>Total</b>	<b>1,765,326.37</b>	<b>1,325,213.44</b>	

<b>18. PURCHASE OF TRADED GOODS</b>		<b>(₹ in Hundred)</b>	
<b>Particulars</b>	<b>AS AT 31.03.2013</b>	<b>AS AT 31.03.2012</b>	
Purchase of Theatrical Rights	628,230.00	806,657.00	
<b>Total</b>	<b>628,230.00</b>	<b>806,657.00</b>	

<b>19. EMPLOYEE BENEFIT EXPENSES</b>		<b>(₹ in Hundred)</b>	
<b>Particulars</b>	<b>AS AT 31.03.2013</b>	<b>AS AT 31.03.2012</b>	
Salaries, Wages and Bonus	825,490.61	324,546.76	
Contribution to Provident and other Fund	201,604.40	70,382.82	
Staff Welfare Expenses	15,236.90	1,251.02	
<b>Total</b>	<b>1,042,331.91</b>	<b>396,180.60</b>	

<b>20. OTHER EXPENSES</b>		<b>(₹ in Hundred)</b>	
<b>Particulars</b>	<b>AS AT 31.03.2013</b>	<b>AS AT 31.03.2012</b>	
Electricity Charges	1,895.50	1,427.80	
Internet Charges	48.68	-	
Legal & Professional Expenses	6,700.34	7,201.29	
Listing & ROC Fees	1,320.21	1,532.54	
Office Expenses	753.40	321.42	
Postage & Courier Charges	2,954.21	827.06	
Printing & Stationery Expenses	4,450.11	1,324.80	
Rent Expenses	6,605.00	5,750.02	
Repairs & Maintenance	1,016.50	154.49	
Telephone & Mobile Expenses	2,947.96	3,709.46	
Travelling Expenses	4,081.98	2,557.85	
Advertisement Expenses	15.03	5.01	
Bank Charges	71.40	65.87	
Deferred Revenue Expense w/off	1,551.74	1,551.74	
Insurance Expenses	6,079.96	2,408.94	
Recruitment Charges	4,330.07	3,662.47	
Registration & Transfer Fees	555.61	681.13	
Service Tax Expenses	92.72	362.59	
Sales Promotion	1,559.15	40.00	
Website Renewal Charges	77.99	100.00	
<b>Total</b>	<b>47,107.55</b>	<b>33,684.48</b>	

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS :****1. SIGNIFICANT ACCOUNTING POLICIES****a) Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention on accrual basis of accounting in accordance with the generally accepted accounting principles (GAAP) in India and comply with the Accounting Standards ("AS") prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956, to the extent applicable.

**b) Use of Estimates**

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from those estimates. Any revisions to accounting estimates are recognised prospectively in current and future period.

**c) Fixed Assets & Depreciation****i. Tangible Assets**

Fixed Assets are stated at the original cost of acquisition including incidental expenses related to acquisition and installation of the concerned assets. Fixed Assets are shown net of accumulated depreciation. Depreciation on fixed assets has been provided on straight line method at the rates and in the manner prescribed under schedule – XIV of the Companies Act, 1956 except computer software which is depreciated over a period of 5 years.

**ii. Intangible Assets**

Intangible assets are stated at their cost of acquisition, less accumulated amortization and impairment losses. An intangible asset is recognized, where it is probable that future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. The depreciable amount of Intangible Assets is allocated over the best estimate of its use-full life on straight line basis.

**d) Impairment of Assets**

The management, assesses for any impairment of assets or cash generating units, in indicators, external or internal, suggests possibilities for reduction in net realizable value of assets or value in use of cash generating units below its carrying costs. Impairments, if any, will be recognized in the Profit and Loss Accounts.

**e) Investments**

Long-term investments are stated at cost.

**f) Revenue Recognition**

The revenue in respect of Professional Fees including Professional Fees for Human Resources Solution Provider, Providing of personnel's, Outsourcing are recognized on delivery of service to the customers. The revenue is also recognized from sale of theatrical viewing rights.

Revenue is recognized inclusive of applicable taxes.

Interest Income on Income Tax Refund is recognized on receipt basis



g) **Deferred Revenue Expenses**

Miscellaneous Expenses incurred for issue of Bonus Shares are amortized over a period of 5 years.

h) **Provisions, Contingent Liabilities and Contingent Assets**

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefit will be required to settle an obligation.

Contingent Liabilities in respect of showcause notice received are considered only when they are converted into demands. Contingent Liabilities under various fiscal laws include those in respect of which the Company / Department is in appeal. Contingent Liabilities are disclosed by way of notes to accounts.

Contingent assets are not recognized or disclosed in the financial statement.

i) **Taxation:**

Income taxes are accounted for in accordance with Accounting Standard 22 on Accounting for Taxes on Income. Taxes comprise both current and deferred tax.

Current Tax is measured at the amount expected to be paid/recovered from the taxation authorities, using the applicable tax rates and tax laws.

Deferred Tax is recognized, subject to the consideration of prudence of, on timing differences, being the difference between taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods.

j. **Earnings Per Share:**

The company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20. EPS is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

21. **CONTINGENT LIABILITIES**

The Company has Contingent Liabilities in respect of JCCI Penalty of Rs. 5,34,523/- and Disputed Sales Tax Liability (Bangalore) of Rs. 6,47,571/- .

22. Balance Appearing in various accounts under the head Unsecured Loans, Sundry Debtors, Loans and Advances, Deposits and Sundry Creditors are subject to confirmation and reconciliation's. Consequential adjustment thereof, arising if any, will be made in the year, the confirmation and reconciliation's are received.

23. In the opinion of the management, the Current Assets, Loans and Advances, deposit are expected to realize at the values stated in the Balance Sheet and adequate provisions have been made in the accounts for all known liabilities.

24. No amounts are outstanding to Micro, Small and Medium Enterprises Development Act, 2006 for the year ended on 31<sup>st</sup> March 2013.

25. **SEGMENT REPORTING**

The Company has identified two reportable segments viz. Hr solution & Trading. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting system.

**a) Secondary Segment**

The Company mainly caters to the needs of the domestic market. As such there is only one reportable geographical segment.

**b) Segment Assets & Liabilities**

Segment assets include all operating assets used by a segment and consist principally of Debtors, advances and fixed assets. Assets at corporate level are not allocable to segments on a reasonable basis and thus the same have not been allocated. Liabilities include all operating liabilities and consist principally of Creditors and accrued liability.

(₹ In Hundred)

Particulars	Trading		Hr Solution		Unallocable		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>Segment revenue</b>								
Gross Sales	688922.50	830181.90					688922.50	830181.90
Professional Fees			1074601.00	495031.54			1074601.00	495031.54
Interest Income					1802.87	0.00	1802.87	0.00
Segment Result	60692.50	23524.90	140837.01	176638.44	1802.87	0.00	203332.38	200163.34
Administrative cost					155675.47	111471.98	155675.47	111471.98
Profit before Depreciation							47656.91	88691.36
Depreciation							6923.22	6306.09
Profit After Depreciation							40733.69	82385.27
Tax							7761.80	12652.37
Profit for the year							32971.89	69732.90
Segment Assets	501368.64	111514.92	156789.95	68128.10	1325850.31	1183160.70	1984008.90	1362803.72
Segment Liabilities	500101.22	90288.03	71820.87	35708.26	87503.37	90288.03	659425.46	216284.32

**26. RELATED PARTY DISCLOSURE AS PER ACCOUNTING STANDARD 18**
**i. List of Related Parties**
**a. Key Management Personnel (KMP)**

Natwarlal Sureka - Managing Director  
Manju Sureka – Director

**b. Enterprise over which KMP is having significant control**

Frontline Bhoomi Vistar Private Limited  
Frontline HR Solutions Limited  
Frontline Salesmart Private Limited  
Frontline Sales Shoppe Private Limited

**ii. Transactions with related party during the year**

(₹ in Hundred)

Particulars of Transaction	Name of Related Party	Amount
Short Term Loan Received back	Frontline Sales Shoppe Pvt Ltd	10,000
Money received against share warrant	Frontline Bhoomi Vistar Pvt.Ltd.	13000

Equity Shares Allotted	Frontline Bhoomi Vistar Pvt.Ltd.	9500
Short Term Loan Received	Frontline Bhoomi Vistar Pvt.Ltd.	40500
Short Term Loan Returned	Frontline Bhoomi Vistar Pvt.Ltd.	17500
Share Premium Received	Frontline Bhoomi Vistar Pvt.Ltd.	9500
Short Term Loan Received & Repaid	Manju Sureka	2314
Short Term Loan given and Received back	Manju Sureka	15957
Short Term Loan given and Received back	Natwar Sureka	15122
Short Term Loan given and Received back	Frontline HR Solution	238050

**27. EARNING PER SHARE AS PER ACCOUNTING STANDARD 20**

(₹ in Hundred)

Particulars	2012-13	2011-12
Profit after Taxation	10,180.24	63,061.34
Weighted Average Number of Equity Shares	2,13,24,078	98,62,039
Earnings per share in Rupees (Basic & Diluted)	0.05	0.64

**28. AUDITOR'S REMUNERATION**

(₹ in Hundred)

Particulars	2012-13	2011-12
Audit & Taxation Fees	750	750
For Certification Matters	275	80.45

29. Previous Year's figures have been regrouped and rearrange whichever necessary in confirm to those of Current Year.

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013**

(₹ In Hundred)

PARTICULARS	AMOUNT	2012-2013	AMOUNT	2011-12
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit After prior period item but before tax		40,734		63,061
Adjusted for:				
Depreciation / Amortisation	6,923		6,306	
Interest Received	(1,803)			
Deferred Revenue Expenditure written off	1,552	6,672		6,306
<b>Operating Profit Before Working Capital Changes</b>		<b>47,406</b>		<b>69,367</b>
Adjusted For:				
Increase in Sundry debtors	(478,516)		(168,340)	
Increase in Short Term Loans, Advances & Deposit	(106,156)		(24,986)	
Increase in Long term loans & Assets	(9,414)		(16,780)	
Other Non Current Assets	-		19,324	
Decrease in other current Assets	682		-	
Increase in Long Ter Borrowings	23,150		7,000	
Increase in Current Liabilities	446,416		116,313	
<b>Cash Generated from operation</b>		<b>(123,838)</b>		<b>(67,469)</b>
Less: Income Tax Paid	(20,414)			-
<b>Net cash generated from operating activities</b>	<b>(A)</b>	<b>(96,846)</b>		<b>1,899</b>
<b>B Cash Flow From Investing Activities</b>				
<b>Purchase Of Investment</b>				
Purchase of Fixed Assets Tangible \ Intangible	(2,563)		(6,395)	
Purchase of Long Term investment	-		(150,000)	
Interest received	1,803	-		
<b>Net Cash From Investing Activities</b>	<b>(B)</b>	<b>(760)</b>		<b>(156,395)</b>
<b>C Cash Flow From Financing Activities</b>				
Proceeds from Share Warrant	-		46,000	
Increase in Capital / application Money	34,000		95,000	
Share Premium Money	80,000		-	
Share Application Money received/refunded	-		(5,000)	
Repayment of Long Term Borrowing	-		(15,949)	
<b>Net Cash Used In Financing Activities</b>	<b>(C)</b>	<b>114,000</b>		<b>120,051</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>(A+B+C)</b>	<b>16,394</b>		<b>(34,445)</b>
<b>Cash and Cash Equivalents as at (Opening Balance)</b>		73,226		107,671
<b>Cash and Cash Equivalents as at (Closing Balance)</b>		<b>89,620</b>		<b>73,226</b>

**Frontline Business Solutions Limited**

Registered Office:

Block No. A-9, Parle Colony Chs., Sahakar Road, Vile – Parle (East), Mumbai – 400 057

**Proxy Form**

Regd. Folio No. \_\_\_\_\_

No. of Shares \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member  
of M/s. Frontline Business Solutions Limited, hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_ or failing him/her

\_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to

vote for me/us at the **Twentieth Annual General Meeting** of the Company to be held on  
Thursday, September 26, 2013 at 11.00 a.m. at A/11, The Parle CHS, Near Garware Chowk,  
Sahakar Road, Vileparle (E), Mumbai – 400057 and at any adjournment (s) thereof.

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

Ruppee one  
Revenue  
Stamp

Signature .....

Notes: This form, in order to be effective, should be duly stamped, completed and signed and  
must be deposited at the Registered Office of the Company, not less than 48 hours before the  
meeting......  
**Tear Here**.....**Frontline Business Solutions Limited**

Registered Office:


Block No. A-9, Parle Colony Chs., Sahakar Road, Vile – Parle (East), Mumbai – 400

**Attendance Slip**


Regd. Folio No. \_\_\_\_\_

No. of Shares \_\_\_\_\_

\_\_\_\_\_  
Name of the Shareholders/Proxy (In block letter)\_\_\_\_\_  
DP ID No./Client No.I/We hereby recorded my presence at the **Twentieth Annual General Meeting** of the Company  
to be held on Thursday, September 26, 2013 at 11.00 a.m. at A/11, The Parle CHS, Near  
Garware Chowk, Sahakar Road, Vileparle (E), Mumbai – 400057.\_\_\_\_\_  
Signature of the Proxy holder\_\_\_\_\_  
Signature of ShareholderNOTE: Shareholders/proxy is requested to bring the attendance slip with him when they come to  
the meeting. No attendance slip will be issued at the time of meeting.

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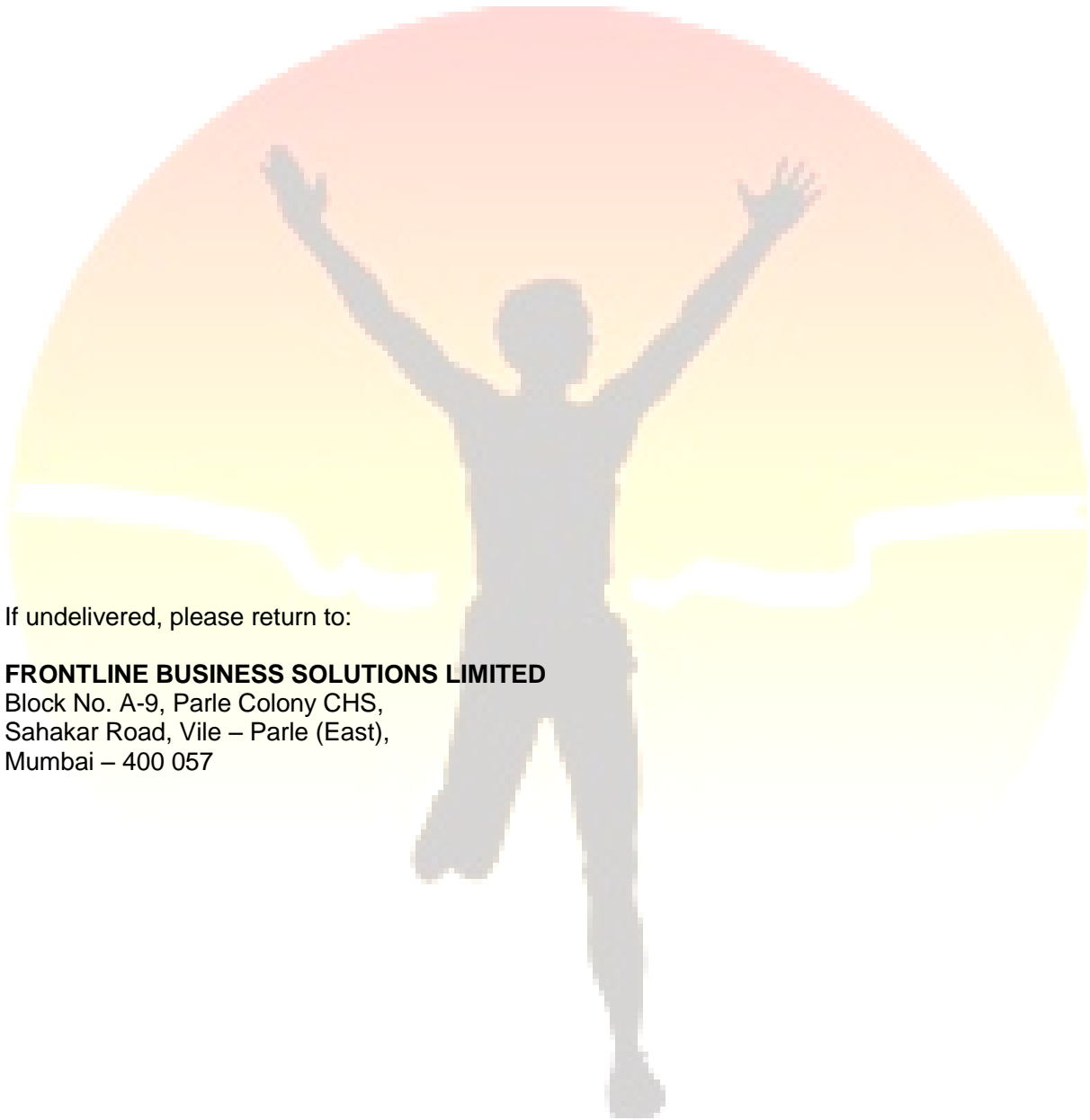
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TO,

If undelivered, please return to:

**FRONTLINE BUSINESS SOLUTIONS LIMITED**

Block No. A-9, Parle Colony CHS,  
Sahakar Road, Vile – Parle (East),  
Mumbai – 400 057





FORM A

Covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	Frontline Business Solutions Limited
2.	Annual financial statements for the year ended	31st March, 2013
3.	Type of Audit observation	Un-qualified / <del>Matter of Emphasis</del>
4.	Frequency of observation	Whether appeared first time .... / repetitive .... / since how long period - - - - - N.A
5.	To be signed by-	
	<ul style="list-style-type: none"><li>• CEO/Managing Director</li></ul>	Natwar Sureka ( <u></u> )
	<ul style="list-style-type: none"><li>• CFO</li></ul>	N.A
	<ul style="list-style-type: none"><li>• Auditor of the company</li></ul>	K.C. Kankariya ( <u></u> )
	<ul style="list-style-type: none"><li>• Audit Committee Chairman</li></ul>	Brijkishore Ruia ( <u></u> )