



*21<sup>st</sup> Annual report 2013 - 2014*



**BOARD OF DIRECTORS**

<b>Mr. Natwar Sureka</b>	-	<b>Managing Director</b>
<b>Mrs. Manju Sureka</b>	-	<b>Whole-Time Director</b>
<b>Mr. Brijkishore Ruia</b>	-	<b>Director</b>

**BANKERS**

ICICI Bank  
HDFC Bank  
Indusind Bank  
Kotak Mahindra Bank  
Corporation Bank  
IDBI 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 Twenty First Annual General Meeting of **Frontline Business Solutions Limited** will be held on Monday, September 29, 2014 at 3.00 p.m. at A/9, The Parle Colony Hsg. Society Ltd., 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, 2014, Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. Appointment of Statutory Auditor of the Company.

To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. P.C. Baradiya & Co. Chartered Accountants (Firm Registration No. 101017W ), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the twenty-sixth AGM of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM) and to fix their remuneration for the financial year ending 31<sup>st</sup> March, 2015 as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**SPECIAL BUSINESS:**

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

“**RESOLVED THAT** pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Brijkishor Ruia (DIN 00309420), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 29<sup>th</sup> September, 2014 up to 28<sup>th</sup> September, 2019.”

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

“**RESOLVED THAT** pursuant to provisions of Sections 197 and 203 Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby given for the re-appointment of Mr. Natwarlal Sureka as a Managing Director of the Company for a period of Five years w.e.f. June 20, 2013 to June 19, 2016 at a remuneration of Rs. 2,00,000 p.m. and that Board of Directors are at liberty to alter and vary the terms and conditions of the said appointment in such a manner as may be agreed between the Board of Directors and Mr. Natwarlal Sureka;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”



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On behalf of the Board of Directors

**Sd/-  
Natwar Sureka  
Managing Director**

**Registered Office:**

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

**Place: Mumbai**

**Date: May 30, 2014**

**NOTES:**

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the Company. A person can act as proxy on behalf of not exceeding fifty Members and holding in the aggregate not more than 10% of the total Equity Share Capital of the Company. Any Member holding more than 10% of the total Equity share capital of the Company may appoint a single person as proxy and in such a case, the said person shall not act as proxy for any other person or member. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Item Nos. 3 to 4 of the Notice, is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from September 27, 2014 to September 29, 2014 (both days inclusive).
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.
6. In case the members have not received new share certificate with new name of the company, they are requested to kindly contact the Registrar & Share Transfer Agent for issue of new certificate in lieu thereof.  
Members are requested to notify immediately about any change in their address / e-mail address /dividend mandate / bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company's Registrar and Share Transfer Agent, M/s Universal Capital Securities Private Limited 21, Shakil Niwas, Opp. Satya Saibaba, Temple, Mahakali Caves Road, Andheri (East), Mumbai-400 093.
7. Members who wish to obtain information on the Financial Statements for the year ended 31 March, 2014, may send their queries at least ten days before the AGM to the Company at the registered office of the Company, to enable us to keep the required information available at the meeting.
8. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the R&T Agent/Depositories.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or the Company's Share Registrars and Transfer Agents.



10. 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.

11. E-voting

In compliance with Section 108 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 23<sup>rd</sup> Annual General Meeting (AGM) by electronic means and all the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The E-voting period for all items of business contained in this Notice shall commence from Wednesday the September 24, 2014 at 9.00 a.m. and will end on Thursday, the September 25, 2014 at 6.00 p.m. During this period equity shareholders of the Company holding shares either in physical form or in dematerialised form as on the cutoff date of September 01, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently.

The voting rights of Members shall be in proportion to their equity shareholding in the paid up equity share capital of the Company as on September 01, 2014.

12. The Company shall appoint an Independent Professional as Scrutinizer to conduct the E-voting in a fair and transparent manner. The Scrutinizer shall within a period of not exceeding 3 working days from the conclusion of voting period, shall unblock the votes in presence of two witness, who are not in employment of the Company and after scrutinizing such votes received shall make a Scrutinizers report of the votes cast in favor or against or invalid votes in connection with the resolution(s) mentioned in the Notice of the Meeting and submit the same forthwith to the Chairman of the Company.

13. The Results of E-voting shall be declared at the AGM of the Company and the results along with Scrutinizer's report shall be placed on the website of the Company thereafter and shall also be communicated to the Stock Exchanges. The Resolutions shall be deemed to be passed, if approved, on the date of AGM.

14. The instructions and process for e-voting are as under:

- Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- Now click on 'Shareholders' tab to cast your votes
- Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Image verification as displayed and Click on Login.
- If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- Now, fill up the following details in the appropriate boxes:

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PAN\* Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (in Capital) (Applicable for both demat shareholders as well as physical shareholders)

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DOB# Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.

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Dividend Bank Details# Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

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- \* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
  - # Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the default number 1234 in the Dividend Bank details field.
- After entering these details appropriately, click on 'SUBMIT'
  - Equity Shareholders holding Equity shares in Physical form will then reach directly to the EVSN selection screen. However Equity Shareholders holding shares in Demat form will now reach 'Password Change' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - Equity Shareholders holding shares in physical form can use these details only for e-voting on the resolutions contained in this Notice.
  - Click on the relevant EVSN on which you choose to vote.
  - On the voting page, you will see Description of Resolution(s) and option for voting Yes/No for voting. Select the option yes or no as desired. The option 'YES' implies that you assent to the resolution & 'NO' implies that you dissent to the resolution
  - Click on the Resolution file link if you wish to view the entire Notice.
  - After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
  - Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
  - You can also take out print of the voting done by you by clicking on 'Click here to print' option on the Voting page.
  - If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot password & enter the details as prompted by the system.
  - Institutional Equity Shareholders (i.e. other than individuals, HUF, NRI etc) are required to log on [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board resolution and Power of Attorney which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
  - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to CDSL on [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or to the Investor relations officer of the Company on [hr.support@frontlinegroup.in](mailto:hr.support@frontlinegroup.in)

**EXPLANATORY STATEMENT**  
**(Pursuant to Section 102 of the Companies Act, 2013)**

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**Item No. 3:**

Mr. Brijkishor Ruia was duly appointed under the Companies Act, 1956 as director liable to retire by rotation. As per provisions of section 149 of the Companies Act 2013, an Independent Director has to be appointed for a fixed tenure of five years. In order to give effect to the said provisions of the Act, it is proposed that this director be appointed as Independent Directors under Section 149 of the Act, read with the amended clause 49 of the Listing Agreement to hold office for five consecutive years.



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As per the provisions of Section 149 of the Act which has come into force with effect from April 1, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

The Nomination & Remuneration Committee has recommended the appointment of Mr. Brijkishor Ruia as an Independent Director of the Company.

Mr. Ruia has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, Mr. Ruia fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and he is independent of the management. Notices as required under section 160 of the Companies Act, 2013 have been received from some members proposing candidature of Mr. Ruia. Upon the confirmation of appointment of Mr. Ruia as an Independent Director by the members of the Company, the appointment shall be formalized by the issue of a letter of appointment by the company to Mr. Ruia.

A brief profile along with other details of Mr. Ruia is as follows:

Name of Director	<b>Brijkishore K. Ruia</b>
DIN	00309420
Date of Birth	October 27, 19964
Date of initial Appointment	April 12, 2011
Profile	Businessman
Directorships in other Public Companies as on March 31, 2014	Nil
Memberships of Committees in Public Companies	Nil
Chairmanships of Committees in Public Companies	Nil

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Mr. Ruia as an Independent Director is now being placed before the Members for their approval

None of the Directors and/or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution.

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

Mr. Natwar Sureka was appointed as a Managing Directors in the year 2011 for the period of five years which was over in June 2013. It is required to re-appoint Mr. Natwar Sureka as a Managing Director for the next three years as per Schedule V. Therefore approval of shareholders is accorded for the said reappointment.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution except the appointee himself and Mrs. Manju Sureka.



**DIRECTORS' REPORT**

To,  
The Members,

We have pleasure in presenting the 21<sup>st</sup> Annual Report of the Company along with the Audited Statements of Accounts for the year ended March 31, 2014. The summarized financial results are given below.

**FINANCIAL HIGHLIGHTS:**

( ` in Hundred)

<b>FINANCIAL RESULTS:</b>	<b>2013 – 2014</b>	<b>2012 – 2013</b>
Total Income	1,177,372.69	17,65,326.37
Total Expenditure excluding Depreciation	1,167,877.58	17,17,669.46
<b>Profit Before Interest, Depreciation &amp; Taxation</b>	<b>9,495.11</b>	<b>47,656.91</b>
Less: Interest Charges	-	-
Profit Before Depreciation & Taxation	9,495.11	47,656.91
Less: Depreciation	6,969.50	6,923.22
<b>Profit Before Taxation</b>	<b>2,525.60</b>	<b>40,733.69</b>
Less: Current Tax	481.26	7,761.80
Less: Previous Year Tax	-	12,652.37
Less: Deferred Tax	1,164.68	10,139.28
<b>Profit After Taxation</b>	<b>3,209.02</b>	<b>10,180.24</b>
Balance Brought Forward from Previous Year	(98,006.35)	(111,426.27)
Profit/(Loss) Carried to Balance Sheet	(101,081.60)	(98,006.36)

**PERFORMANCE REVIEW:**

During the year under review, the Company earned income of Rs. 1,177,372.69 /- from as compared to previous year of Rs. 17,65,326.37/-

**DIVIDEND:**

Due to inadequacy of profits during the year under review, your Directors do not recommend any dividend for the financial year 2013-2014.

**TRANSFER OF RESERVES:**

In the absence of adequate profits, no amount was transferred to Reserves.

**SHARE CAPITAL:**

As on 31st March, 2014, the paid up share capital of the Company is Rs.106,620,390/- divided into 21,324,078 equity shares of Rs. 5/- each.

**DIRECTORS:**

During the year under review, Mr. Chirag Chandrakant Parekh has resigned from directorship on 14<sup>th</sup> March 2013.

Mr. Nawar Sureka continues to be Managing Director, Mrs. Manju Sureka continues to be Whole-time Director.

In terms of Section 149 of the Companies Act, 2013, which has come into force with effect from April 01, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.



In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Brijkishore K. Ruia as Independent Directors is being placed before the Members in General Meeting for their approval. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

Members are requested to refer to the notice of the Annual General Meeting and the Explanatory Statement for details of the qualifications and experience of the Directors.

**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 2013 – 2014 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, 2014 on a going concern basis.



**AUDITORS:**

The Statutory Auditors M/s. P. C. Baradiya & Co., Chartered Accountants, Mumbai, having Firm Registration No 101017W, holds office until the conclusion of the ensuing Annual General Meeting and is eligible for reappointment.

Your Company has received confirmation from the Auditors to the effect that their appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014. Your Board is of the opinion that continuation of M/s. P. C. Baradiya & Co., Statutory Auditors during FY 2014-15 will be in the best interests of the Company and therefore, Members are requested to consider their re-appointment as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting till the conclusion of the twenty-sixth AGM of the Company to be held in the year 2019 at remuneration as may be decided by the Board.

**AUDITOR'S OBSERVATIONS:**

The observations and comments given in the Auditors' Report are self explanatory and do not require further explanation.

**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, 2014, 90.13% of the Company's paid-up share capital representing 1,92,18,860 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.

**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: May 30, 2014**

**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: May 30, 2014**

**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. Amongst the various areas, we encompass 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. 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:**

The growth in the services sector in India is expected to be around 5.6 per cent in FY 15. The services sector in India attracts the highest foreign domestic investment (FDI) equity inflows, accounting for about 17.96 per cent of the total equity inflows. In the period April 2000 - June 2014, the services sector in India attracted FDI inflows amounting to about US\$ 40,197.21 million, according to data released by Department of Industrial Policy and Promotion (DIPP). 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

A Key part of the selection process, which includes everything from identifying the critical roles needed to meet business objectives, sourcing candidates and then hiring them. Many SME organizations do not have the processes and tools in place to be able to make that selection, so, again, they miss out on an opportunity to win. Frontline is continuously in the process of integrating talent optimization into our strategic planning process to efficiently and effectively cater to the growing needs of these SME Indian as well as multinational companies thereby, assisting them to enhance their profitability as well as corporate image in the market. Our Company is proposing to position itself as a business solution provider predominantly for a medium scales business houses especially SME sector.

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:**

According to a report by Moody’s Analytics, the economy is recovering, and coupled with Narendra Modi’s strong electoral mandate, provide an ideal platform for the Prime Minister to implement his agenda. “Even without much government help, the economy should grow by around 5% this year and close to 6% in 2015,” the report said.

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



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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. 1177.37 Lacs as against Rs. 1765.33 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  
Managing Director**

**Place: Mumbai  
Date: May 30, 2014**

**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.

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, 2014		
		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	-	-	-

# Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships

## Includes only Audit Committee and Shareholders/Investors Grievance Committee (listed and unlisted).

\* Mr. Chirag Chandrakant Parekh was appointed on 01.07.2013 and resigned on 14. 3. 2014.



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

Eight meetings of the Board of Directors were held during the year ended 31<sup>st</sup> March, 2014 and the gap between two meetings did not exceed four months. The dates on which the meetings were held are as follows:

**15.5.2013, 28.5.2013, 14.6.2013, 14.8.2013, 26.9.2013, 12.11.2013, 5.2.2014, 14.3.2014**

The Twentieth Annual General Meeting (AGM) of the Company was held on September 26, 2013.

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

<i>Name of the Director</i>	<i>Designation</i>	<i>Attendance in Board Meetings during 2013 – 2014</i>	<i>Attendance at the last Annual General Meeting held on September 26, 2013</i>
Mr. Natwar Sureka	Managing Director	7	Yes
Mrs. Manju Sureka	Director	7	Yes
Mr. Brijkishore Ruia	Director	7	Yes
* Mr. Chirag Chandrakant Parekh	Director	5	Yes
\$ Mr. Mahendra Hiranman More	Director	2	No

\* Mr. Chirag Chandrakant Parekh appointed on 01.07.2013 and had resigned on 14.3.2014  
 \$ 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, 2014. 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, 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, 2014.

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

**Mumbai, May 30, 2014**

**3. AUDIT COMMITTEE:****a. Composition:**

The Audit Committee comprises of Three Directors. Out of three directors, one of them is Executive and Non Independent Directors and two Directors are a Non - Executive and 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 and resigned on 14.3.2014.

\$ Mr. Mahendra Hiranman More resigned on 14.06.2013.

During the financial year ended March 31, 2014, five Audit Committee meetings were held respectively on 15.5.2013, 28.5.2013, 14.8.2013, 12.11.2013 and 5.2.2014. 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	5
*Mr. Chirag Parekh	3
Mrs. Manju Sureka	5
\$ Mr. Mahendrakumar More	2

\* Mr. Chirag Chandrakant Parekh appointed on 01.07.2013.

\$ Mr. Mahendra Hiranman More resigned on 14.06.2013.



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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:

The Company has constituted the Remuneration Committee which comprises 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 and resigned on 14.3.2014.

\$ Mr. Mahendra Hiranman More resigned on 14.06.2013

During the year under review only one meeting was held in June 2013 to consider re-appointment of Mr. Natwar Sureka as a Managing Director and approve his remuneration.

The broad terms of reference of the Remuneration Committee are to review the performance of the Whole-time Directors, after considering the Company's performance and recommend to the Board remuneration including salary, perquisites and commission to be paid to the Company's Whole-time Directors within the overall ceilings approved by the shareholders.

**Executive Directors**

**Mr. Natwar Sureka**

Mr. Natwar Sureka is being re-appointed as a Managing Director of the Company with effect from June 20, 2013 for a period of three years at a remuneration of Rs. 2,00,000/- p.m.

**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 Rs. 200,000/- p.m.

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

During the financial year ended March 31, 2014, four Shareholders Grievance Committee meetings were held respectively on 15.5.2013, 26.9.2013, 12.11.2013, 5.2.2014.

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, 2014.

**6. SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary Company.

**7. DISCLOSURES:**

○ **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 2013-2014, 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.

o **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 2013-2014, 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.

o **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

o **Details of shareholding of Directors of the Company as on 31st March, 2014:**

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 and resigned on 14.3.2104  
\$ 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
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
20 <sup>th</sup>	Thursday	September 26, 2013	11.00 a.m.	A-11, The Parle CHS, Near Garware Chowk, 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 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.

**AGM held on September 26, 2013:**

No Special Resolution was passed at the AGM.

- c. Details of Resolutions passed through Postal Ballot during the year 2013 – 2014 (Under Section 192A):

The Company has not passed any special resolution through Postal Ballot during the year 2013 – 2014 under Section 192A of the Companies Act, 1956.

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

Resolution approving Change in name and change in main object clause of the Company is 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. RECONCILIATION OF SHARE CAPITAL AUDIT:**

In accordance with Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996, Reconciliation of Share Capital of the Company is carried out on a quarterly basis by Mr. Kaushal Dalal, Practicing Company Secretaries, to reconcile the total admitted capital with NSDL and CDSL and total issued and listed capital.

**13. HALF YEARLY CERTIFICATES (CLAUSE 47 (C)):**

The Company has obtained and filed with the stock exchanges, the half yearly certificates received from Mr. Kaushal Dalal, Practicing Company Secretary for due compliance with shares transfer formalities as required under Clause 47(c) of the listing Agreement.

**14. 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.

**15. GENERAL SHAREHOLDERS INFORMATION:****a) Annual General Meeting:**

<b>Date and Time of Meeting</b>	<b>Venue of the Meeting</b>
September 29, 2013 at 3.00 p.m	A/9, The Parle Colony Hsg. Society Ltd., 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 27, 2014 to September 29, 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 2013 – 2014 have been paid within the prescribed limit to the Bombay Stock Exchange Limited.

**f) Stock Code:**

<b>Stock Exchange</b>	<b>Code</b>
Bombay Stock Exchange Limited	521167
Demat ISIN Numbers in NSDL and CDSL	INE485D01035

**Corporate Identification No (CIN):** L17200MH1994PLC076018

**Market Price Data:**

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

<b>Month</b>	<b>Equity Shares</b>	
	<b>High Price</b>	<b>Low Price</b>
April '2013	26.40	19.45
May '2013	19.10	15.55
June '2013	18.15	13.35
July '2013	13.70	6.08
August '2013	8.62	6.40
September '2013	9.06	4.90
October '2013	5.70	2.96
November '2013	3.06	2.50
December '2013	3.58	2.80
January '2014	5.83	3.51
February '2014	9.01	5.22
March '2014	13.66	9.40

*High and low are in rupees per traded share*

**g) 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

**h) 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.

**i) Category wise distribution of equity shares as on March 31, 2014:**

Sr. No.	Category of Shareholders	Total Holdings	% of Shareholdings
1.	Promoter & Promoter Group	3437798	16.12
2.	Mutual Funds and UTI	960	0.005%
3.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Inst./Non Govt. Inst.)	1,080	0.01%
4.	FII/Foreign Bodies	-	-
5.	Private Corporate Bodies	8960796	42.02
6.	Indian Public	8339332	39.11
7.	NRIs/OCBs	17639	0.08
8.	Clearing Member	566473	2.66
	<b>TOTAL</b>	<b>2,13,24,078</b>	<b>100.00%</b>

**Distribution of shareholding as on March 31, 2014:**

No. of equity shares	Shareholders		Shareholdings	
	No.	% of holders	No.	% shares
1 - 500	8607	91.64	566731	2.66
501 to 1000	272	2.90	230016	1.08
1001 to 2000	159	1.69	253578	1.19
2001 to 3000	55	0.59	145490	0.68
3001 to 4000	43	0.46	155203	0.73
4001 to 5000	44	0.47	213890	1.00
5001 to 10000	70	0.75	532539	2.50
10001 and above	142	1.51	19226631	90.16
<b>Total</b>	<b>9392</b>	<b>100.00</b>	<b>21324078</b>	<b>100.00</b>

**j) Dematerialization of Equity shares:**

90.13 of the Equity shares of the Company have been dematerialized as on March 31, 2014. 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.





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

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

**l) 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 [admin@frontlinegroup.in](mailto:admin@frontlinegroup.in) 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



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### CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

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 2013-14 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:** May 30, 2014

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



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**REPORT ON CORPORATE GOVERNANCE**

To  
The Members of  
**M/s Frontline Business Solutions Limited**

- d) 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, 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with the Bombay Stock Exchange Limited.
- e) 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.
- f) 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.
- g) 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

Place: Mumbai  
Date: May 30, 2014



**INDEPENDENT AUDITORS' REPORT**

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

**1. Report on the Financial Statements**

We have audited the accompanying financial statements of **M/s FRONTLINE BUSINESS SOLUTIONS LIMITED** (the Company), which comprise the Balance Sheet as at 31 March 2014, the Statement of profit and 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**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**3. Auditors' 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 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the 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 our audit opinion.

**4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 affairs of the Company as at 31 March 2014.
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**5 Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
  
2. 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 purposes of our audit.
  
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the (Ministry of Corporate Affairs).
  
  - (e) On the basis of the written representations received from the directors as on 31 March 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

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

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

Place : Mumbai  
Date : May 30, 2014

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

Referred to in paragraph “1” 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, 2014

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 Act. The maximum amount involved during the year was Rs. 168.17 Lakh and the year-end balance of such loans was 55.13 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.
	(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. 13.85 Lakh and the year end balance of such loan was Rs. <b>NIL</b> 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.	According to the information and explanation given to us, the company has not made preferential allotment of shares to company & parties covered in the Register maintained under Section 301 of Companies Act, 1956.
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  
May 30, 2014





(` in Hundred)

FRONTLINE BUSINESS SOLUTIONS LIMITED			
Balance Sheet as at 31 March, 2014			
PARTICULARS	Note No.	As at March 31, 2014	As at March 31, 2013
<b>A EQUITY AND LIABILITIES</b>			
1 <b>Shareholder's Fund</b>			
(a) Share Capital	2	1,066,203.90	1,066,203.90
(b) Reserves & Surplus	3	252,814.66	255,889.90
2 <b>Non-current liabilities</b>			
(a) Long-term borrowings	4	53,878.80	77,028.80
(b) Deffered Tax Liabilities	5	1,324.96	2,489.64
(c) Long Term provisions		-	-
4 <b>Current liabilities</b>			
(a) Trade payables	6	308,381.01	522,953.12
(b) Other current liabilities	7	51,244.34	59,443.54
<b>TOTAL</b>		<b>1,733,847.67</b>	<b>1,984,008.90</b>
<b>B ASSETS</b>			
1 <b>Non-current assets</b>			
(a) Fixed assets	8		
(i) Tangible assets		11,912.39	12,507.75
(ii) Intangible assets		5,400.00	10,800.00
(b) Non-current Investments	9	141,595.14	635.14
(c) Long Term Loans & Advances	10	1,085,301.11	1,185,783.88
2 <b>Current assets</b>			
(a) Trade receivables	11	561,532.18	659,749.97
(b) Cash and cash equivalents	12	(85,396.19)	89,620.27
(c) Short-term loans and advances	13	12,262.22	22,400.64
(d) Other current assets	14	1,240.83	2,511.26
<b>TOTAL</b>		<b>1,733,847.67</b>	<b>1,984,008.90</b>

The accompanying notes 1 to 29 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: May 30, 2014



(` in Hundred)

<b>FRONTLINE BUSINESS SOLUTIONS LIMITED</b>			
<b>Statement of Profit &amp; Loss For The Year Ended as at 31 March, 2014</b>			
PARTICULARS	Note No.	As at March 31, 2014	As at March 31, 2013
<b>1 REVENUE :</b>			
Revenue from Operations	15	1,177,372.69	1,765,326.37
<b>Total Revenue</b>		<b>1,177,372.69</b>	<b>1,765,326.37</b>
<b>2 EXPENSES :</b>			
(a) Cost of Raw Materials consumed			
Purchase of traded goods	16	-	628,230.00
(b) Employee benefits expense	17	1,108,723.22	1,042,331.91
(c) Depreciation	8	6,969.50	6,923.22
(d) Other Expenses	18	59,154.36	47,107.55
<b>Total Expenses</b>		<b>1,174,847.08</b>	<b>1,724,592.68</b>
<b>3 Profit Before Tax (1-2)</b>		<b>2,525.60</b>	<b>40,733.69</b>
<b>4 Less : Tax Expenses</b>			
Current Tax (Net of MAT Credit)		481.26	7,761.80
Previous Year Tax			12,652.37
Deferred Tax		(1,164.68)	10,139.28
		<b>(683.42)</b>	<b>30,553.45</b>
<b>5 Profit For the Year</b>		<b>3,209.02</b>	<b>10,180.24</b>
<b>EARNING PER SHARE</b>			
Basic & Diluted		0.02	0.05
(Face value Rs. 5/- (L.Y. Rs 5) per share)			

The accompanying notes 1 to 29 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: May 30, 2014



(` in Hundred)

<b>2. SHARE CAPITAL</b>				
<b>Particulars</b>	<b>As at March 31, 2014</b>		<b>As at March 31, 2013</b>	
	<b>No. of Shares</b>	<b>Rs.</b>	<b>No. of Shares</b>	<b>Rs.</b>
<b>Authorized shares</b>				
Equity shares of Rs. 5 (L.Y. Rs.5/-) Each	250,100.00	1,250,500.00	125,050.00	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.5/-) Each fully paid up	213,240.78	1,066,203.90	213,240.78	1,066,203.90
<b>TOTAL</b>	<b>213,240.78</b>	<b>1,066,203.90</b>	<b>213,240.78</b>	<b>1,066,203.90</b>
<b>(a) Reconciliation of Shares outstanding at the beginning and at the end of the reporting year</b>				
<b>Equity Shares</b>			<b>As at 31 March 2013</b>	
	<b>No. of Shares</b>	<b>Rs.</b>	<b>No. of Shares</b>	<b>Rs.</b>
At the Beginning of the year	9,213,240.78	1,066,203.90	98,620.39	9,862.04
Less: Reduction of Shares				-
Add: Shares Issued against the exercise of warrants			8,000.00	800.00
Add : Issued on Sub-division			106,620.39	
<b>Outstanding at the end of the year</b>	<b>9,213,240.78</b>	<b>1,066,203.90</b>	<b>213,240.78</b>	<b>10,662.04</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.

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 in the year 2013 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.5/-) 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 remaing 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 2014		As at 31 March 2013	
	No.	% holding	No.	% holding
<b>Equity shares of Rs. 10 each fully paid</b>				
Violet Media Pvt.Ltd.	13,481	6.32%	13,481	6.32%
Frontline Bhoomi Vistar Private Limited	22,734	10.66%	22,734	10.66%
Blackgold Machining Works	24,351	11.42%	24,351	11.42%
Technosteel Engineering Pvt	-	0.00%	-	0.00%
Livingroom Furnitures Pvt Ltd	13,500	6.33%	13,500	6.33%
Deepak Vikhabe	10,796	5.06%	10,796	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>		
Particulars	(` in Hundred)	
	As at March 31, 2014	As at March 31, 2013
<b>Security Premium Account</b>		
As per Last Balance sheet	353,896.26	273,896.26
Add : Premium on shares issued in exercise of warrant	-	80,000.00
	<b>353,896.26</b>	<b>353,896.26</b>
<b>Surplus in the Statement of Profit and Loss</b>		
As per Last Balance sheet	(98,006.35)	(111,426.27)
Profit for the year	3,209.02	10,180.24
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
Less : MAT Credit utilise	(6,284.27)	
<b>Net surplus in the statement of profit and loss</b>	<b>(101,081.60)</b>	<b>(98,006.36)</b>
<b>Total</b>	<b>252,814.66</b>	<b>255,889.90</b>

4. LONG - TERM BORROWINGS ( ` in Hundred)		
Particulars	As at March 31, 2014	As at March 31, 2013
<b>Unsecured</b>		
Loans From Others	10,758.43	10,758.43
<b>Total</b>	<b>10,758.43</b>	<b>10,758.43</b>

5. 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, 2014	As at March 31, 2013
<b>Deferred Tax Liability</b>		
Difference in WDV as per books and under Income Tax Act	1,324.96	2,489.64
<b>Total</b>	<b>1,324.96</b>	<b>2,489.64</b>

6. TRADE PAYABLES ( ` in Hundred)		
Particulars	As at March 31, 2014	As at March 31, 2013
Creditors for Purchases	287,041.76	499,263.91
Creditors for Expenses	10.00	-
<b>Total</b>	<b>287,051.76</b>	<b>499,263.91</b>

Due to Micro, Small and Medium Enterprises.	Nil	Nil
Due to Others	287,051.76	499,263.91

7. OTHER CURRENT LIABILITIES ( ` in Hundred)		
Particulars	As at March 31, 2014	As at March 31, 2013
Statutory dues payable	986.29	46,564.75
Creditors against capital asset	7,000.00	7,000.00
Advances from Customers		5,878.79
<b>Total</b>	<b>7,986.29</b>	<b>59,443.54</b>



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**8. FIXED ASSETS**

Sr. No.	Assets	Rate of Depr.	Gross Block			Depreciation			Net Block	
			As at 31-Mar-13	Addition	As at 31-Mar-14	As at 31-Mar-13	For the year	As at 31-Mar-14	As at 31-Mar-14	As at 31-Mar-13
	<b>Tangible Assets</b>									
1	Computer Furniture & Fixture	16.21%	2,552.10	263.03	2,815.13	613.38	413.70	1,027.08	1,788.05	1,938.73
2	Office Equipments	6.33%	9,738.06	-	9,738.06	1,107.38	616.42	1,723.80	8,014.26	8,630.69
4	Air Conditioner	4.75%	10,381.13	711.11	11,092.24	8,442.78	539.38	8,982.16	2,110.08	1,938.35
5		4.75%		-	-		-	-	-	-
	<b>Total</b>		<b>22,671.29</b>	<b>974.14</b>	<b>23,645.43</b>	<b>10,163.54</b>	<b>1,569.50</b>	<b>11,733.04</b>	<b>11,912.39</b>	<b>12,507.75</b>
	<b>Intangible Assets</b>									
1	Software	20.00%	27,000.00	-	27,000.00	16,200.00	5,400.00	21,600.00	5,400.00	10,800.00
	<b>Total</b>		<b>27,000.00</b>	<b>-</b>	<b>27,000.00</b>	<b>16,200.00</b>	<b>5,400.00</b>	<b>21,600.00</b>	<b>5,400.00</b>	<b>10,800.00</b>
	<b>Total Assets</b>		<b>49,671.29</b>	<b>974.14</b>	<b>50,645.43</b>	<b>26,363.54</b>	<b>6,969.50</b>	<b>33,333.04</b>	<b>17,312.39</b>	<b>23,307.73</b>
	Previous Year			2,563.00	49,671.29	19,440.31	6,923.22	26,363.53	23,307.75	27,667.97

<b>9. NON - CURRENT INVESTMENTS (Non Trade-Unquoted)-At cost</b> ( ` in Hundred)		
<b>Particulars</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>Other Investments</b>		
National Saving Certificates	635.14	635.14
<b>Shares in Indian Companies</b>		
- Unquoted Equity Shares		-
- 440500 Radha Madhav Research & Trade Pvt Ltd	140,960.00	
<b>Total</b>	<b>141,595.14</b>	<b>635.14</b>

Certificates are not in the possession of the company

<b>10. LONG TERM LOANS AND ADVANCES</b> ( ` in Hundred)		
<b>Particulars</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>Unsecured, considered good</b>		
Tax Deducted at Source (Net of Provision)	-	37,522.30
Security Deposit	3972.00	3,402.00
Other Loans	31621.11	31,621.11
MAT Credit entitlement	11035.31	17,319.58
<b>Total</b>	<b>46,628.42</b>	<b>89,864.99</b>

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

	( ` in Hundred)	
Fastline Multitrade Private Limited	-	100,000.00
Sainath Herbal Care Marketing Private Limited	32,000,000.00	320,000.00
Shree Mangal Jewels Private Limited	-	145,000.00
Swastik Legal Consultants Private Limited	4,000,000.00	40,000.00
Technopoint Mercantile Company Private Limited	41,500,000.00	415,000.00
Other loan includes a sum of Rs. 55,13,000/- (L.Y. NIL) o/s from a company in which director is interested		

<b>11. TRADE RECEIVABLES</b> ( ` in Hundred)		
<b>Particulars</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>Unsecured, considered good</b>		
Due for a period less than six months	359,552.53	658,158.58
<u>Due for a period more than 6 months</u>	201,979.65	1,591.39
<b>Total</b>	<b>561,532.18</b>	<b>659,749.97</b>

<b>12. CASH AND BANK BALANCES</b>		(` in Hundred)
<b>Particulars</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b><u>Cash and cash equivalents</u></b>		
Cash on hand	3,703.96	1,692.75
current account balance	-	87,927.52
Of which Rs. 80873/- (L.Y. 80873/- ) are earmarked for payment of unpaid dividend		
Term Deposit having Original Maturity of Three months or less	3,000.00	
<b>Total</b>	<b>6703.96</b>	<b>89620.27</b>

<b>13. SHORT TERM LOANS AND ADVANCES</b>		(` in Hundred)
<b>Particulars</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b><u>Other Advances</u></b>		
- Advances to Supplier	-	198.89
- Advances to Staff	11,098.65	20,650.00
Deferred Revenue Expenses	0	1,551.75
<b>Total</b>	<b>11,098.65</b>	<b>22,400.64</b>

Loans to others includes Rs NIL (Previous Year Rs 10 Lakh) to Related parties.  
Maximum amount outstanding during the year was Rs 125.45 Lakhs.

<b>14. OTHER CURRENT ASSETS</b>		(` in Hundred)
<b>Particulars</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Prepaid Expenses	1,240.83	2,511.26
<b>Total</b>	<b>1,240.83</b>	<b>2,511.26</b>





<b>15. REVENUE FROM OPERATIONS</b> ( ` in Hundred)		
<b>Particulars</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Professional Fees	1,174,797.89	1,074,601.00
Trading Income	-	688,922.50
Interest Income	2,566.45	1,802.87
Other income	8.35	
<b>Total</b>	<b>1,177,372.69</b>	<b>1,765,326.37</b>

<b>16. PURCHASE OF TRADED GOODS</b> ( ` in Hundred)		
<b>Particulars</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Purchase of Theatrical Rights	-	628,230.00
<b>Total</b>	<b>-</b>	<b>628,230.00</b>

<b>17. EMPLOYEE BENEFIT EXPENSES</b> ( ` in Hundred)		
<b>Particulars</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Salaries, Wages and Bonus	836,485.24	825,490.61
Contribution to Provident and other Fund	255,745.95	201,604.40
Staff Welfare Expenses	16,492.03	15,236.90
<b>Total</b>	<b>1,108,723.22</b>	<b>1,042,331.91</b>

<b>18. OTHER EXPENSES</b> ( ` in Hundred)		
<b>Particulars</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Audit Fees	750.00	
Electricity Charges	1,970.10	1,895.50
Internet Charges		48.68
Legal & Professional Expenses	11,034.19	6,700.34
Listing & ROC Fees	1,100.00	1,320.21
Office Expenses	667.67	753.40
Postage & Courier Charges	1,210.73	2,954.21
Printing & Stationery Expenses	4,069.72	4,450.11
Rent Expenses	6,680.00	6,605.00
Repairs & Maintenance	1,015.60	1,016.50
Telephone & Mobile Expenses	4,459.29	2,947.96
Travelling Expenses	2,320.19	4,081.98
Advertisement Expenses	10.02	15.03
Bank Charges	41.53	71.40
Deferred Revenue Expense w/off	1,551.75	1,551.74
Insurance Expenses	1,230.69	6,079.96
Miscellaneous Exp	494.05	
Recruitment Charges	4,551.56	4,330.07
Registration & Transfer Fees	870.79	555.61
Fine & Penalty	58.50	92.72
Sales Promotion	353.50	1,559.15
Sundry bal W/o	14,600.00	
Renewal Charges	114.49	77.99
<b>Total</b>	<b>59,154.36</b>	<b>47,107.55</b>



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

The financial statements have been prepared to comply with the accounting principles generally accepted in India, the accounting standards notified under section 211 (3C) of the Companies Act, 1956 (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of the General Circular 15/2013 dated 13 September 2013 of the Ministry Corporate Affairs)

**Use of Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialize.

**b) 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.

**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.

**iii. 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.

Intangible assets are amortised over their estimated useful life of 5 years.

**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.

Revenue is recognized inclusive of applicable taxes.

Interest Income is recognized on accrual basis except interest on Income Tax Refund which 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:**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income-tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economics benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that the future economic benefits associated with it will flow to the company.

Deferred Income Tax reflect the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years/ period.

**j. Earnings Per Share:**

The company reports Earning Per Shares (EPS) in accordance with Accounting Standard 20 on Earning Per Share. Basic EPS is computed by dividing the net profit for the year by the weighted average number of Equity Shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

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.

Particulars	Trading		Hr Solution		Unallocable		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Segment revenue								
Gross Sales		68892250					0	68892250
Professional Fees			117479789	107460100			117479789	107460100
Interest Income					257480	180287	257480	180287
Segment Result		6069250	16388003	14083701		180287	16388003	20333238
Administrative cost					15695972	15567547	15695972	15567547
Profit before Depreciation							949510	4765691
Depreciation							696950	692322
Profit After Depreciation							252560	4073369
Tax							48126	776180
Profit for the year							204434	3297189
Segment Assets	35796114	50136864	20357104	15678995	117231549	132585031	173384767	198400890
Segment Liabilities	28704176	50010122	5647664	7182087	6998575	8750337	41350415	65942546



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)

Short Term Loan given and Received back	Manju Sureka	1995752
Short Term Loan given and Received back	Natwar Sureka	2675584
Short Term Loan Received & Repaid	Natwar Sureka	300000
Short Term Loan given and Received back	Frontline HR Solution	22553845
Short Term Loan Received & Repaid	Frontline HR Solution	1621422
Short Term Loan Received & Repaid	Frontline Money Solution Pvt.Ltd.	70000
Short Term Loan Received & Repaid	Frontline Salesmart Pvt.Ltd.	9461373
Short Term Loan Received & Repaid	Frontline Trade Pvt.Ltd.	15000
Short Term Loan Received & Repaid	Frontline Sales shopee Pvt.Ltd.	15000
Short Term Loan given and Received back	Frontline Sales shopee Pvt.Ltd.	985000
Short Term Loan Received	Frontline Bhoomi Vistar Pvt.Ltd.	27000
Short Term Loan Returned	Frontline Bhoomi Vistar Pvt.Ltd.	7840000

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

(` in Hundred)

Particulars	2013-14	2012-13
Profit after Taxation	3209.02	10,180.24
Weighted Average Number of Equity Shares	21324078	2,13,24,078
Earnings per share in Rupees (Basic & Diluted)	0.02	0.05

28. **AUDITOR'S REMUNERATION**

(` in Hundred)

Particulars	2013-14	2012-13
Audit & Taxation Fees	750	750
For Certification Matters	150	275

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

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014</b>				
(` in Hundred)				
<b>PARTICULARS</b>	<b>AMOUNT</b>	<b>2013-14</b>	<b>AMOUNT</b>	<b>2012-2013</b>
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit After prior period item but before tax		<b>2,526</b>		40,734
<b>Adjusted for:</b>				
Depreciation / Amortisation	6,970		6,923	
Interest Received	(2,566)		(1,803)	
Deferred Revenue Expenditure written off	1,552	5,955	1,552	6,672
<b>Operating Profit Before Working Capital Changes</b>		<b>8,481</b>		<b>47,406</b>
<b>Adjusted For:</b>				
Decrease in Sundry debtors	98,218		(478,516)	
Decrease in Short Term Loans, Advances & Deposit	8,587		(106,156)	
Decrease in Long term loans & Asssets	94,198		(9,414)	
Other Non Current Assets	-		-	
Decrease in other current Assets	1,270		682	
Decrease in Long Ter Borrowings	(23,150)		23,150	
Decrease in Current Liabilities	(222,771)		446,416	
<b>Cash Generated from operation</b>		<b>(43,648)</b>		<b>(123,838)</b>
<b>Less</b>				
: Income Tax Paid	(481)		(20,414)	
<b>Net cash generated from operating activities</b>	<b>(A)</b>	<b>(35,649)</b>	<b>(A)</b>	<b>(96,846)</b>
<b>B Cash Flow From Investing Activities</b>				
<b>Purchase Of Investment</b>				
Purchase of Fixed Assets Tangible \ Intangible	(974)		(2,563)	
Purchase of Long Term investment	(140,960)		-	
Interest received	2,566		1,803	-
<b>Net Cash From Investing Activities</b>	<b>(B)</b>	<b>(139,368)</b>	<b>(B)</b>	<b>(760)</b>
<b>C Cash Flow From Financing Activities</b>				
Proceeds from Share Warrant			-	
Increase in Capital / application Money	-		34,000	
Share Premium Money	-		80,000	
Share Application Money received/refunded				
Repayment of Long Term Borrowing			-	
<b>Net Cash Used In Financing Activities</b>	<b>(C)</b>	<b>-</b>	<b>(C)</b>	<b>114,000</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>(A+B+C)</b>	<b>(175,016)</b>	<b>(A+B+C)</b>	<b>16,394</b>
<b>Cash and Cash Equivalents as at (Opening Balance)</b>		<b>89,620</b>		<b>73,226</b>
<b>Cash and Cash Equivalents as at (Closing Balance)</b>		<b>(85,396)</b>		<b>89,620</b>



**Frontline Business Solutions Limited**

CIN: L17200MH1994PLC076018

Registered Office: A/9, The Parle Colony Co-Operative Housing Society Limited, Sahakar Road, Vile Parle (East), Mumbai – 400 057

**ATTENDANCE SLIP  
(To be presented at the entrance)**

Folio No.: \_\_\_\_\_ DPID No.: \_\_\_\_\_ Client I.D.No.: \_\_\_\_\_

No. of shares held: \_\_\_\_\_

I/ We hereby record my/ our presence at the **Twenty-first Annual General Meeting** of the Company at A/9, The Parle Colony Hsg. Society Ltd., Sahakar Road, Vileparle (E), Mumbai – 400057 on **Monday, September 29, 2014 at 3.00 p.m.**

Name of the Member: \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxy holder: \_\_\_\_\_ Signature \_\_\_\_\_

NOTE: Member/joint member/proxies are requested to bring this slip with them and hand it over at the entrance. Duplicate slips will not be issued at the entrance of the venue





**Frontline Business Solutions Limited**

CIN: L17200MH1994PLC076018

**PROXY SLIP**

Registered Office: A/9, The Parle Colony Co-Operative Housing Society Limited, Sahakar Road, Vile Parle (East), Mumbai – 400 057

**PROXY FORM – MGT-11**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):.....  
 Registered address: .....  
 E-mail ID:.....  
 Folio No. / Client ID:..... DP ID:.....

I/We, being the members of **FRONTLINE BUSINESS SOLUTIONS LIMITED** holding .....Equity Shares hereby appoint:

1. Name:..... E-Mail id.....  
 Address..... Signature.....or failing him.
2. Name:..... E-Mail id.....  
 Address..... Signature.....or failing him.
3. Name:..... E-Mail id.....  
 Address..... Signature.....

As my / our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty first Annual General Meeting of the Company to be held on Monday, 29<sup>th</sup> September, 2014 at 3.00 p.m. at A/9, The Parle Colony Hsg. Society Ltd., Sahakar Road, Vileparle (E), Mumbai – 400057 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolutions
<b>Ordinary Business</b>	
1.	Consider and adopt the Audited Financial Statements for the year ended 31st March, 2014 together with the Reports of the Board of Directors and Auditors thereon
2.	Appoint M/s P.C. Baradiya & Co., Chartered Accountants as the auditors of the Company
<b>Special Business</b>	
3.	Appointment of Mr. Brijkishore Ruia as an Independent Director
4.	Re-appointment of Mr. Natwarlal Sureka as a Managing Director of the Company

Signed this .....Day of ..... 2014

.....  
 Signature of shareholder

Affix  
 Rs. 1/-  
 Revenue  
 Stamp

.....  
 Signature of first proxy holder

.....  
 Signature of second proxy holder

.....  
 Signature of third proxy holder

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10 of the total share capital of the Company carrying voting rights. A member holding more than 10 of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.



21<sup>ST</sup> ANNUAL REPORT 2013 – 2014

**BOOK – POST**

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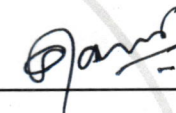
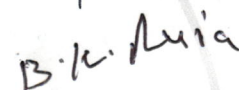
If undelivered, please return to:

**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	31 <sup>st</sup> March, 2014
3.	Type of Audit observation	Un-qualified / Matter-of-Emphasis
4.	Frequency of observation	Whether appeared first time .... / repetitive .... / since how long period - - - - - N.A
5.	To be signed by-	
	• CEO/Managing Director	Natwar Sureka ( <u></u> )
	• CFO	N.A
	• Auditor of the company	K. C. Kankariya ( <u></u> )
	• Audit Committee Chairman	Brijkishore Ruia ( <u></u> )