



Frontline
BUSINESS SOLUTIONS

Frontline Business Solutions Ltd.





17TH ANNUAL REPORT 2009 – 2010

BOARD OF DIRECTORS

Mr. Natwar Sureka	-	Chairman & Managing Director
Mr. Ratish Tagde	-	Director
Mr. Mahendrakumar More	-	Director
Mrs. Manju Sureka	-	Director

BANKERS

Kotak Mahindra Bank Ltd.
Canara Bank

STATUTORY AUDITORS

G. M. Purohit & Associates
Chartered Accountants

REGISTERED OFFICE

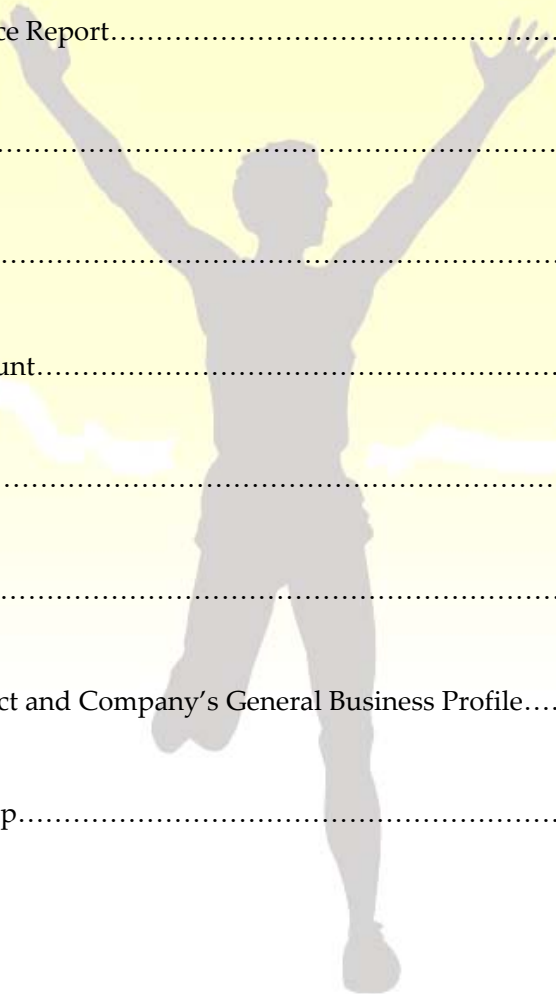
Block No. A-1, Parle Colony CHS., Sahakar Road,
Vile – Parle (East), Mumbai-400 057

REGISTRAR AND TRANSFER AGENT

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 Seventeenth Annual General Meeting of **Frontline Business Solutions Limited** will be held on Thursday, September 30, 2010 at 11.00 a.m. at the Nityanand Nagar No. 4 Hall, Behind Better Home, Sahar Road, Andheri (East), Mumbai-400 069 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010, Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Manju Sureka, who retires by rotation, and being eligible offers herself for re-appointment.
3. To appoint statutory auditors to hold office from the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

On behalf of the Board of Directors

Sd/
Natwar Sureka
Chairman & Managing Director

Registered Office:

Block No. A-1, Parle Colony CHS.,
Sahakar Road, Vile – Parle (East),
Mumbai-400 057.

Place: **Mumbai**

Date: August 31, 2010

NOTES:

1. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange, of persons seeking re-appointment as Director, is also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 29, 2010 to Thursday, September 30, 2010 (both days inclusive).
4. Shareholders are requested to forward their queries accounts for the financial year ended March 31, 2010 to the Company at least 10 days in advance, to enable the management to keep the required information available at the Annual General Meeting.
5. Memorandum and Articles of Association is open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. to 2.00 p.m.

Details of Directors Seeking Re-Appointment at the Annual General Meeting

Name of Director	Mrs. Manju Sureka
Age	52 years
Date of Appointment on Board	April 6, 2008
Qualifications	Graduation from the field of arts
Expertise	10 yrs of experience in administration and event management
Directorships held in other Public Companies (Excluding foreign & private companies)	<ul style="list-style-type: none"> • Frontline Sales Limited • Frontline HR Solutions Limited
Membership/Chairmanship of Committees across public companies	<u>Member</u> Audit and Shareholders'/Investors Grievance Committee – Frontline Business Solutions Limited
Shareholding Non-Executive Director	80,000 Equity shares post reduction of capital as a part of the Scheme of Arrangement

**DIRECTORS' REPORT**

To,
The Members,

We have pleasure in presenting the 17th Annual Report of the Company along with the Audited Statements of Accounts for the year ended March 31, 2010. The summarized financial results are given below.

FINANCIAL HIGHLIGHTS:**(Rs. In Lacs)**

FINANCIAL RESULTS:	2009 – 2010	2008 – 2009
Gross Income	11.65	84.81
Profit Before Interest, Depreciation & Taxation	(7.51)	77.87
Less: Interest Charges	-	-
Profit Before Depreciation & Taxation	(7.51)	77.87
Less: Depreciation	1.63	1.36
PROFIT BEFORE TAXATION	(9.14)	76.51
Less: Provision for Taxation	-	-
PROFIT AFTER TAXATION	(9.14)	76.51
Balance Brought Forward from Previous Year	(2541.44)	(2617.95)
Profit/(Loss) Carried to Balance Sheet	(2550.58)	(2541.44)

PERFORMANCE REVIEW:

During the year under review, the Company earned income of Rs. 11.65 Lacs from business activities as compared to previous year of Rs. 84.81 Lacs.

DIVIDEND:

In the absence of profits during the year review, your Directors do not recommend any dividend for the financial year 2009 – 2010.

TRANSFER OF RESERVES:

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

CAPITAL RESTRUCTURING:

During the year under review, the Company has filed Petition for Scheme of Arrangement under Section 391 to 394 read with Section 78, 100 of the Companies Act, 1956 with Hon'ble High Court, Bombay for reorganization of capital which helps in synchronizing the affairs of the Company and will lead to positive net worth of the

Company. As directed by the Hon'ble High Court, Bombay vide its Order dated January 22, 2010, Court Convened Meeting of Equity shareholders was held on February 23, 2010 for approval of Scheme of Arrangement and passing of a Special Resolution for reduction of share capital as a part of Scheme of Arrangement. The Shareholders have accorded their approval for Scheme of Arrangement with reduction of share capital which is a part of the Scheme of Arrangement. Further, the "Scheme of Arrangement" between the Frontline Business Solutions Limited with its equity shareholders under Section 391 to 394 read with Section 78, 100 of the Companies Act, 1956, has approved and passed by the High Court, Bombay on June 25, 2010. As required, the Company has filed Form No. 21 with the Registrar of Companies, Maharashtra, Mumbai on July 15, 2010. The Appointed Dated is April 1, 2009 and Effective Date is July 15, 2010.

Hence with effect from July 15, 2010, the Paid-up Share Capital of the Company has been reduced from Rs. 12,01,00,000/- (Rupees Twelve Crores One Lac Only) divided into 1,20,10,000 (One Crore Twenty Lacs Ten Thousand) Equity Shares of Rs. 10/- each to Rs. 1,20,10,000/- (Rupees One Crore Twenty Lacs Ten Thousands Only) divided into 12,01,000 (Twelve Lacs One Thousand) Equity Shares of Rs. 10/- each. As the Company being a Listed Company for giving effect to the reduction of capital, the Company is following up with the Bombay Stock Exchange Limited for completing the procedures required in this respect.

SHARE CAPITAL:

As on March 31, 2010, Paid – up Share Capital of the Company is Rs. 120,100,000/- divided into 12,010,000 equity shares of Rs. 10/- each fully paid-up.

DIRECTORS:

Mrs. Manju Sureka retires by rotation and being eligible offer themselves for re-appointment.

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 2009 – 2010 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 31st March, 2010 on a going concern basis.

AUDITORS:

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

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, 2010, 48.64% of the Company's paid-up share capital representing 5,842,101 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**

Place: Mumbai

Date: August 31, 2010

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

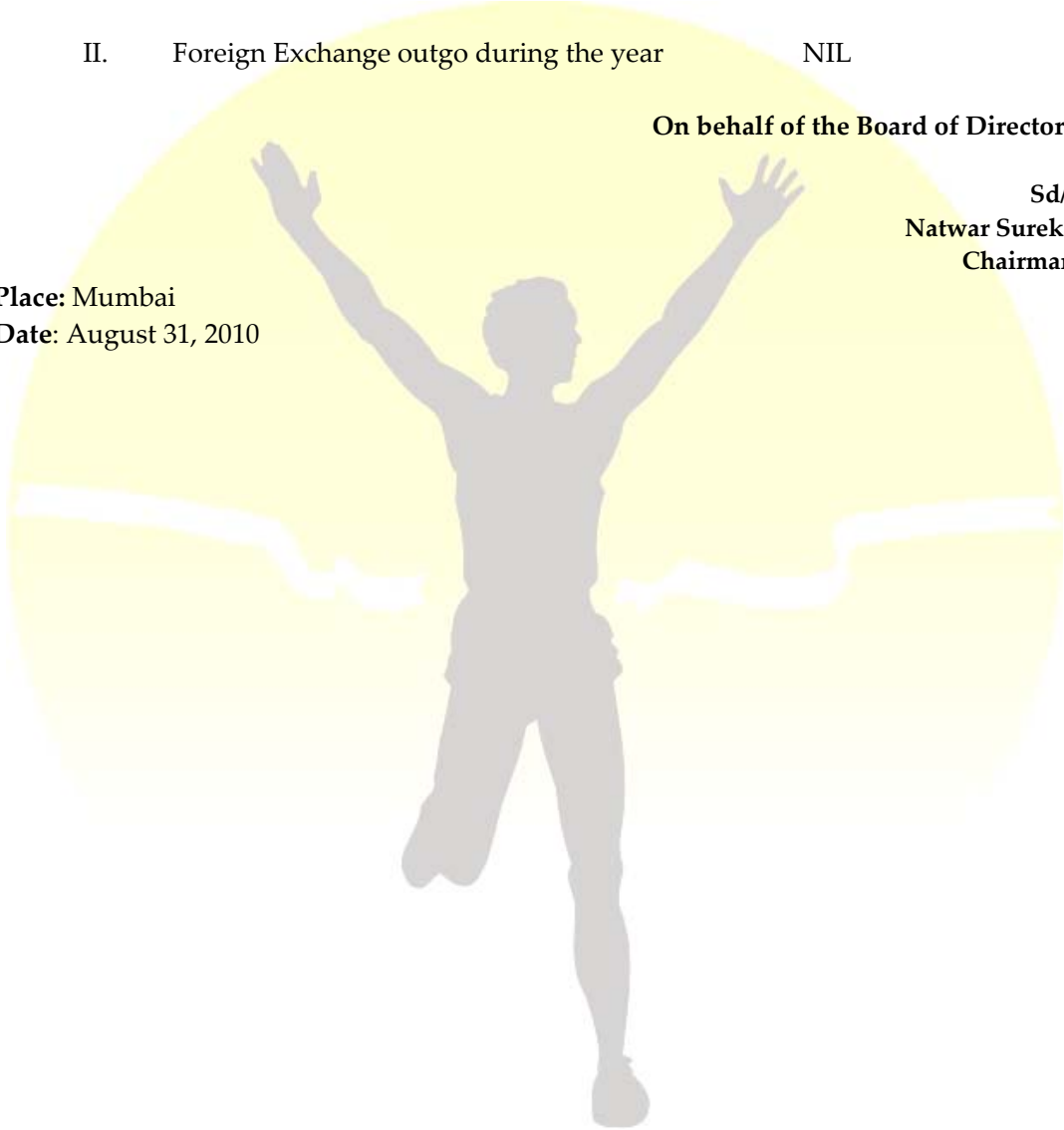
II. Foreign Exchange outgo during the year NIL

On behalf of the Board of Directors

**Sd/-
Natwar Sureka
Chairman**

Place: Mumbai

Date: August 31, 2010



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT:

Frontline is in the business of providing value added “*One Stop Shop*” solutions and services in the areas of staffing, Sales & Marketing of telecom, financial products, Human Resource Management & solutions, KPO & BPO solutions, Call Centre, Back Office Process and Event Management etc. Frontline is structured and positioned to deliver the cost effective services to our customer’s business by efficiently. Frontline is in the process to built its team of talented employees to cater to the needs of many Indian as well as multinational companies helping them to enhance their profitability as well as corporate image in the market.

Growing from strength to strength, the Indian BPO/KPO industry has continued to widen its base globally by means of introducing new product portfolio and creating new business verticals. The growth comes from the stupendous performance of Indian service providers as well as their multinational counterparts and global giants who leveraged on India’s fundamental strength of ‘low cost-high quality’ performance.

OPPORTUNITIES AND THREATS:

The outsourcing industry in India has witnessed significant transformation over the past decade. Starting with basic data entry tasks, it now includes increasingly complex processes. The domestic market has also contributed to the growth of the segment as a whole and ongoing momentum is estimated considering the large addressable market that it offers. The global data processing and outsourced services market generated total revenues of USD 556 billion in 2009, representing a compound annual growth rate (CAGR) of 11.1% for the period spanning 2005-2009.

In a growing competitive environment, threats as well as opportunities fluctuate with respect to the changes in market conditions. Your Company is proposing to position itself as a business solution provider predominantly for a medium scales business houses especially SME sector. SME sector can not afford to hire services of top consulting firms and therefore are lacking in professional standards and business vision.

On the other hand, threats are that we will be entering into a highly competitive segment wherein the competition is with giant 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:

We seek to further strengthen our position as a leading service and solution provider company by successfully differentiating our service offerings and increasing the scale of our operations. To achieve these goals, we seek to increase business from existing and new clients. Our goal is to build enduring relationships with both existing and new clients. With existing clients, we aim to expand the nature and scope of our engagements by increasing the size and number of projects and extending the breadth of our service offerings. For new clients, we seek to provide value-added solutions by leveraging our in-depth industry expertise and expanding the breadth of services offered to them beyond those in the initial engagement. We plan to increase our recurring business with clients by providing Human Resource Management & solutions, KPO & BPO solutions, Call Centre, Back Office Process and Event Management Solutions, which are long-term in nature and require frequent client contact.

As Frontline look ahead, the Company believes it is in a dynamic market with a potential for substantial growth in future. The Company is confident in their growth strategy, which has positioned them competitively in their chosen markets. The Company has developed its core expertise, strong infrastructure, a talented team and continues to build on its customer base that enables it to be optimistic about the outlook for its businesses.

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 is in the process of adopting a Risk Management Policy which comprises risk organization structure, procedures and the risk management policies.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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. The Company has appointed an auditor to ensure that its control systems commensurate with its size and the nature of its operations. These have been designed to



provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies. A well defined organizational structure, internal controls, defined authority matrix and documented policy guidelines ensure compliance with internal policies and applicable laws and regulations, efficiency of operations and protection of resources. All major expenses are controlled and business plans are monitored so that the actual spending is in accordance with budgets.

DISCUSSION AND FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

This year, your Company's total revenues stood at Rs. 11.65 Lacs compared to Rs. 84.81 Lacs in the previous year.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT:

People are an important resource at Frontline. The Company recognises the importance of human capital and values it highly. Your Company is of the strong belief that the employees are the most vital resources giving the Company an edge over its competitors in the dynamic business environment. Your Company has continued with its collaborative approach to manage industrial relations. The relations with the employees remained cordial during the year. Training and development of employees is integral to the Company. Industry, products and process specific knowledge, corporate and soft skills are some of the key areas in which training is imparted. The Company also has various systems in place to institutionalise knowledge gained from its internal experts, client programmes and industry initiatives.

CAUTIONARY STATEMENT:

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

On behalf of the Board of Directors

Sd/-

**Natwar Sureka
Chairman**

Place: Mumbai

Date: August 31, 2010

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

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

2. BOARD OF DIRECTORS

A Composition of Board of Directors

The Board of Directors consists of professionals drawn from diverse fields. The Chairman of the Board is an Executive Director. The current strength of the Board is four comprising of one executive director and three non-executive directors. Of the four directors, two are independent directors and two are non-independent. The day-to-day management is conducted by the Managing Director with the help of the other non-executive directors. The office of the Managing Director is subject to the supervision and control of the Board of Directors of the Company. As on March 31, 2010, the Board comprises of 4 Directors whose composition is given below:

- One Promoter, Executive Director
- One Promoter, Non Executive Director
- Two Non Promoter, Non – Executive and Independent Directors

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



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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, 2010		
		Committee Membership	Committee Chairmanship	Directorship
Mr. Natwar Sureka	Promoter-Executive Director	-	-	2
Mrs. Manju Sureka	Promoter- Non-Executive director	-	-	2
Mr. Mahendrakumar More	Independent-Non-Executive Director	-	-	-
Mr. Ratish Tagde	Independent – Non Executive Director	-	-	3

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

B Board Meetings and Attendance during the year :

Eight meetings of the Board of Directors were held during the year ended 31st March, 2010 and the gap between two meetings did not exceed four months. The dates on which the meetings were held are as follows:

April 29, 2009, June 30, 2009, July 30, 2009, August 18, 2009, October 29, 2009, December 22, 2009, January 29, 2010 and March 18, 2010

The Sixteenth Annual General Meeting (AGM) of the Company was held on September 18, 2009.

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 2009 – 2010</i>	<i>Attendance at the last Annual General Meeting held on September 18, 2009</i>
Mr. Natwar Sureka	Chairman & Managing Director	8	Yes
Mrs. Manju Sureka	Director	8	Yes
Mr. Mahendrakumar More	Director	8	No
Mr. Ratish Tagde	Director	8	Yes

Re-appointment of Director

The Director who retires by rotation is:

Mrs. Manju Sureka is a graduate in the field of Arts. She is having 10 years of experience in administration and event management.

Mrs. Manju Sureka is also a director in the following companies:

Frontline Sales Limited

Frontline HR Solutions Limited

As on date, Mrs. Manju Sureka holds 80,000 equity shares post of reduction of capital as a part of the Scheme of Arrangement.

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 31st March, 2010. None of the Non-executive Directors have any material pecuniary relationship or transactions with 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.

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

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



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During the financial year ended March 31, 2010, five Audit Committee meetings were held respectively on April 29, 2009, June 30, 2009, July 30, 2009, October 29, 2009 and January 29, 2010. The composition of the audit committee and numbers of meetings attended by each member were as follows:

<i>Name of the Director</i>	<i>Designation</i>	<i>Category</i>	<i>No. of Meetings attended</i>
Mr. Ratish Tagde	Chairman	Non-Executive, Independent	4
Mr. Mahendrakumar More	Member	Non-Executive, Independent	4
Mrs. Manju Sureka	Member	Non-Executive, Non- Independent	4

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 COMMITTEE:

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

5. SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE:

The Company's Share Transfer and Shareholders/Investors Grievance Committee functions under the Chairpersonship of Mrs. Manju Sureka, a Non-Executive Director. Mr. Mahendrakumar More and Mr. Ratish Tagde are other members of the Committee. Mr. Natwar Sureka is a Compliance Officer of the Company.

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 received only one complaint which was satisfactorily resolved. There were no complaints outstanding as on March 31, 2010. No Share Transfers remained unattended/pending for more than thirty days as on March 31, 2010.

6. SUBSIDIARY COMPANIES:

The Company does not have any subsidiary Company.

7. DISCLOSURES:

- **Disclosures of Transactions with Related Parties:**

During the financial year 2009 – 2010, 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.

- The Company has complied with all the procedural requirements of regulatory authority on matters related to capital market.
- No money was raised through any of the aforesaid means during the financial year under review.
- The Company has already laid down broad guidelines for Board disclosures.
- 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.
- Following are the details of shareholding of Directors of the Company:

☛ Mr. Natwar Sureka	–	6.66%
☛ Mrs. Manju Sureka	–	6.66%
☛ Mr. Mahendrakumar More	–	Nil
☛ Mr. Ratish Tagde	–	Nil

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:

<i>AGM</i>	<i>DAY</i>	<i>DATE</i>	<i>TIME</i>	<i>VENUE</i>
14 th	Friday	September 29, 2007	12.00 noon	Ground Floor, Samunder Mahal, Samunder Point, Dr. Annie Besant Road, Worli, Mumbai-400 018.
15 th	Friday	June 20, 2008	12.00 Noon	Ground Floor, Samunder Mahal, Samunder Point, Dr. Annie Besant Road, Worli, Mumbai-400 018.
16 th	Friday	September 18, 2009	10.30 a.m.	Nityanand Nagar No. 4 Hall, Behind Better Home, Sahar Road, Andheri (East), Mumbai – 400 069.

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

AGM held on September 29, 2007:

No Special Resolution was passed at the AGM.

AGM held on June 20, 2008:

- i. Appointment of Mr. Natwar Sureka as a Whole Time Director for a period of five years w.e.f April 6, 2008.
- ii. Amendment in the Name Clause of the Company.
- iii. Amendment in the Main Object Clause of the Company.
- iv. Commencement of new business as per amended Main Object Clause 1 of the Memorandum of Association of the Company.
- v. Regularization of Mr. Mahendrakumar More as a Director w.e.f. June 20, 2008.
- vi. Regularization of Mrs. Manju Sureka as a Director w.e.f. June 20, 2008.

AGM held on September 18, 2009:

No Special Resolution was passed at the AGM.

- c. Details of Resolutions passed through Postal Ballot during the year 2008-2009 (Under Section 192A):

YEAR	DAY	DATE	TIME	VENUE	DESCRIPTION	% of Votes in favor of the Resolutions
2008	Friday	June 20, 2008	12.00 noon	Ground Floor, Samunder Mahal, Samunder Point, Dr. Annie Besant Road, Worli, Mumbai-400 018.	Special Resolution for amendment in the Main Object Clause and Objects incidental or ancillary to the attainment of the Main Objects Clause of the Memorandum of Association of the Company.	100%

The procedure for Postal Ballot is as per Section 192A of the Companies Act, 1956, read with the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.

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

- d. During the year under review, the Company has conducted Court Convened Meeting of Equity Shareholders on February 23, 2010 as per directions of Hon'ble High Court, Bombay for approval of Scheme of Arrangement and passing of special resolution for reduction of share capital which is a part of the Scheme of Arrangement.

<i>DAY</i>	<i>DATE</i>	<i>TIME</i>	<i>VENUE</i>	<i>SPECIAL RESOLUTIONS PASSED</i>
Tuesday	February 23, 2010	11.00 a.m.	Nityanand Nagar No. 4 Hall, Behind Better Home, Sahar Road, Andheri (East), Mumbai-400 069.	Scheme of Arrangement with Reduction of share capital.

10. 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.

11. GENERAL SHAREHOLDERS INFORMATION:

a) Annual General Meeting:

<i>Date and Time of Meeting</i>	<i>Venue of the Meeting</i>
September 30, 2010 at 11.00 a.m.	Nityanand Nagar No. 4 Hall, Behind Better Home, Sahar Road, Andheri (East), Mumbai-400 069.

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 29, 2010 to September 30, 2010 (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 2010 – 2011 have been paid within the prescribed limit to the Bombay Stock Exchange Limited.

f) Stock Code:

Bombay Stock Exchange Limited (BSE) : 521167

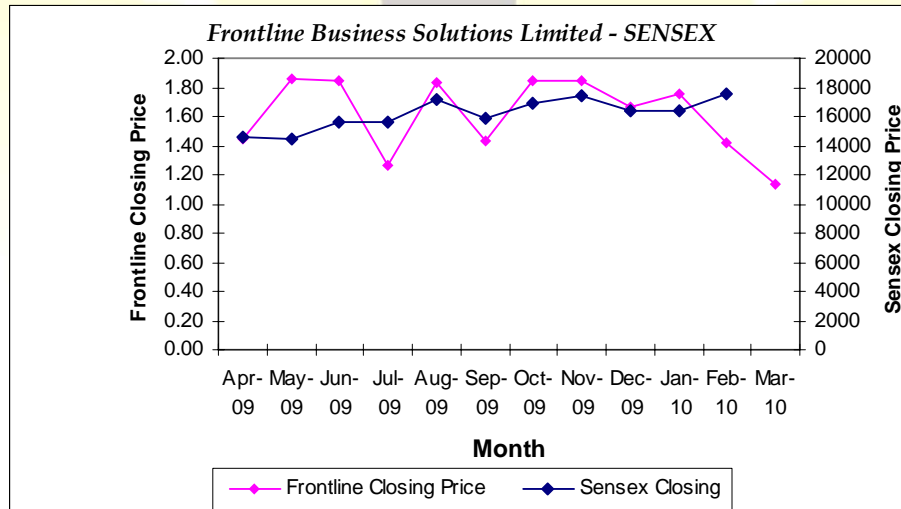
g) Market Price Data:

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

<i>Month</i>	<i>Equity Shares</i>	
	<i>High</i>	<i>Low</i>
April, 2009	1.70	1.31
May' 2009	1.86	1.44
June'2009	2.07	1.63
July'2009	1.92	1.20
August'2009	2.01	1.33
September'2009	1.94	1.37
October'2009	2.14	1.36
Novemeber'2009	1.93	1.55
December' 2009	1.96	1.59
January' 2010	1.95	1.63
February' 2010	1.82	1.41
March'2010	1.36	1.05

High and low are in rupees per traded share

h) Stock Performance:



i) Registrar and Share Transfer Agent:

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

j) Share Transfer System:

The Company has appointed 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 INE485D01019.

k) Category wise distribution of equity shares as on March 31, 2010:

<i>Sr. No.</i>	<i>Category of Shareholders</i>	<i>Total Holdings</i>	<i>% of Shareholdings</i>
1.	Promoter & Promoter Group	16,00,000	13.32%
2.	Mutual Funds and UTI	10,200	0.09%
3.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non Govt. Inst.)	-	-
4.	FII's/Foreign Bodies	-	-
5.	Private Corporate Bodies	15,13,280	12.60%
6.	Indian Public	8,682,620	72.30%
7.	NRI's/OCBs	11,200	0.09%
8.	Clearing Member	192,700	1.60%
	TOTAL	12,010,000	100.00%

Distribution of shareholding as on March 31, 2010:

<i>No. of equity shares</i>	<i>Shareholders</i>		<i>No. of Shares</i>	
	<i>No.</i>	<i>% of holders</i>	<i>No.</i>	<i>% shares</i>
1 to 500	8118	85.51	1724700	14.361
501 to 1000	641	6.752	518800	4.320
1001 to 2000	299	3.149	506400	4.216
2001 to 3000	89	0.937	230700	1.921
3001 to 4000	72	0.758	274000	2.281
4001 to 5000	50	0.527	233800	1.947
5001 to 10000	117	1.232	932300	7.763
10001 and above	108	1.138	7589300	63.192
Total	9494	100.00%	12,010,000	100.00%

l) Dematerialization of Equity shares:

48.64% of the Equity shares of the Company have been dematerialized as on March 31, 2010. 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.

m) Registered Office of the Company:

Block No. A-1, Parle Colony CHS.,
Sahakar Road, Vile – Parle (East), Mumbai – 400 057

n) Address for investor Correspondence:

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

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

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

The Company has designed frontline.investor@gmail.com as an exclusive email ID for Shareholders for the purpose of registering complaints.

For General Correspondence:

Frontline Business Solutions Limited
Block No. A-1, Parle Colony CHS.,
Sahakar Road, Vile – Parle (East),
Mumbai – 400 057.

12. COMPLIANCE CERTIFICATE FROM AUDITORS:

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

13. CEO CERTIFICATION:

In terms of this clause, Mr. Natwar Sureka, Managing Director of the Company has certified to the Board of Director, the Annual Report and the Balance Sheet and the Profit and Loss Account and notes attached thereto. Members of the company can obtain copies of the said certificate available for inspection during the course of ensuing Annual General Meeting.

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

To,
The Members of Frontline Business Solutions Limited

I, Natwar Sureka, Chairman & Managing Director of Frontline Business Solutions Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2010.

Natwar Sureka
Chairman & Managing Director

Mumbai, August 31, 2010.

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

We have examined the compliance of conditions of Corporate Governance by Frontline Business Solutions Limited (“the Company”) for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited.

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

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

As required by the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that, as per records maintained by the Company, and certified by the Registrar of the Company as on March 31, 2010 there were no investor grievances pending for a period exceeding one month.

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 G. M. Purohit & Co.
Chartered Accountants
Sd/-
G. M. Purohit
Proprietor
Membership no. 031338

Mumbai, August 31, 2010.



AUDITORS REPORT

To,
The Members,
FRONTLINE BUSINESS SOLUTIONS LIMITED.

- 1 We have audited the attached Balance Sheet of FRONTLINE BUSINESS SOLUTIONS LIMITED as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurances about whether the financial statements are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosure made by the management, in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditor's Report) Order, 2003 (as amended by the Amendment Order 2004), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, We enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable .
- 4 Further to our comments in the Annexure referred to in paragraph 3 above, we state that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper Books of Accounts as required by the Law have been kept by the Company so far as appears from our examination of the books.
 - c) The Balance Sheet & Profit and Loss Account dealt with by this report are in agreement with the books of Accounts .
 - d) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
 - e) On the basis of the written representation received from the directors, and taken on record by the Board of Directors, we report that none of the

Directors is disqualified as on 31st March, 2010 from being appointed as a director in the terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;

- f) In our opinion and as per the information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Account, read together with the notes thereon give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
- i. In the case of Balance Sheet, of the State of Affairs of the Company as on 31st March 2010 ;
 - ii. In the case of Profit and Loss Account, of the Loss of the Company for the year ended on that date; and
 - iii. In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**For G. M. Purohit & Co.
Chartered Accountants**

**SD/-
G. M. Purohit
Proprietor
Mumbai, August 31, 2010**

ANNEXURE TO AUDITOR'S REPORT
REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- 1) (a) The Company is in process of maintaining proper records showing full particulars including quantitative details and location of fixed assets.
 - (b) There is a regular program of physical verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of the fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the year.
 - (c) The Company has not disposed off any substantial part of fixed assets during the year.
- 2) The Provision of clause 4 (II) is not applicable to the Company.
- 3) According to the information and explanation given to us, in respect of loan, Secured or unsecured granted or taken by the company to/ from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956.
 - (a) The Company has taken loans of Rs. 30,33,752.00 from 2 (Two) parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year
 - (b) The Company has not granted any loan during the year to the parties covered in the register maintained under section 301 of the Companies Act, 1956.
- 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 Fixed Assets. There is no major weakness in the internal control procedures.
- 5) a) To the best of our knowledge and belief and according to the information and explanation given to us, we are of the opinion that the transaction that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered .
 - b) In our opinion, and having regard to our comments in paragraph above, and according to the information and explanation given to us, transaction made in pursuance of contracts or arrangement entered in the register maintained

under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lakhs in respect of each party during the year have been made at price which are reasonable having regards to prevailing market prices at the relevant time.

- 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) The Provision of Clause 4 (VII) of the order is not applicable to the Company.
- 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 for the product of the Company.
- 9) According to the information and explanation given to us, and on the basis of our information of the books of account, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues with the appropriate authorities outstanding as at 31st March, 2010 for a period of more that six month from the date on which they become payable.
- 10) According to the information and explanation given to us, no undisputed dues payable in respect of sales tax, income tax, custom duty, provident fund were outstanding at 31st March ,2010 for a period of more than six months from the date they became payable.
- 11) According to the information and explanation given to us, there are following dues in respect of sales tax, custom duty, that have not been deposited with the appropriate authorities on account of some dispute.

Name of 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

- 12) The Company has accumulated losses of Rs. 25,12,41,173/- as at 31st March 2010 and it has incurred cash losses in the financial year ended on that date however the company has not incurred cash losses in the immediately preceding financial year.
- 13) The Company has not defaulted during the year in repayment of dues to any financial institution and banks and company has not issued any debenture. Accordingly clause 4 (xi) of the order is not applicable.

- 14) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 15) As the Company is not a chit fund, nidhi, mutual benefit fund or society, the provision of clause 4 (xiii) of Order is not applicable to the Company.
- 16) As the Company is not dealing or trading in shares, securities, debentures, and other investments, the provision of clause 4 (xiv) of the Order is not applicable to the company.
- 17) 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. Accordingly clause 4 (xv) of the Order is not applicable to the Company.
- 18) The Company has not obtained any term loans. Accordingly clause 4 (xvi) of the Order is not applicable to the Company.
- 19) According to the information and explanation given to us, the Company has not raised any funds on short-term or long term basis.
- 20) The Company has not made any preferential allotment of shares to the parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956 which is prejudicial to the interest of the Company.
- 21) The Company has not issued any debentures. Accordingly clause 4 (xix) of the Order is not applicable to the Company.
- 22) 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.
- 23) According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

**FOR G.M. PUROHIT & CO.
CHARTERED ACCOUNTANTS**

**SD/-
G. M. PUROHIT
PROPRIETOR
Mumbai, August 31, 2010**



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BALANCE SHEET AS AT MARCH 31, 2010

PARTICULARS	SCHEDULE	31.03.2010 Rupees	31.03.2009 Rupees
I. <u>SOURCES OF FUNDS</u>			
Shareholders Funds			
Share Capital	"1"	120,100,000	120,100,000
Reserves & Surplus	"2"	128,731,377	128,731,377
Loan Funds			
Secured Loans		-	-
Unsecured Loans	"3"	9,424,116	7,321,101
TOTAL		258,255,493	256,152,478
II. <u>APPLICATION OF FUNDS</u>			
Fixed Assets			
Gross Block	"4"	3,270,271	2,865,690
Less: Depreciation		2,090,629	1,953,476
Net Block		1,179,642	912,214
Investments	"5"	63,514	63,514
Deferred Tax Assets		3,786,155	-
Current Assets, Loans & Advances			
Sundry Debtors	"6"	721,600	-
Cash & Bank Balance	"7"	430,092	131,988
Loans, Advances & Deposits	"8"	497,904	276,950
Total Current Assets		1,649,596	408,938
Less : Current Liabilities & Provisions			
Liabilities	"9"	285,284	151,852
		285,284	151,852
NET CURRENT ASSETS		1,364,312	257,086
Deferred Revenue Expenses	"10"	620,697	775,871
Profit & Loss Account		251,241,173	254,143,793
TOTAL		258,255,493	256,152,478
Notes on Accounts			
As per our report of even date			
FOR G. M. Purohit & Co.			
Chartered Accountants			
Sd/-			
G. M. Purohit	Sd/-	Natwar Sureka	Sd/-
Proprietor		Chairman & Managing Director	Manju Sureka
Membership No. 031338			Director
Mumbai, August 31, 2010.			

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

PARTICULARS	SCHEDULE	31.03.2010 Rupees	31.03.2009 Rupees
<u>I. INCOME</u>			
Business Income	"11"	1,178,238	800,000
Sundry Creditors Bal W/Back		-	7,681,231
Other Income		5,700	-
		1,183,938	8,481,231
<u>II. EXPENSES</u>			
Management Expenses	"12"	1,929,573	691,431
Financial Expenses	"13"	747	2,036
		1,930,320	693,467
Profit & (Loss) Before Depreciation		(746,382)	7,787,764
Less: Depreciation	"4"	137,153	136,121
		(883,535)	7,651,643
PROFIT / (LOSS) BEFORE TAX			
Less: Provision For Taxation		-	-
Less: Deferred Tax Liability/(Assets)		(3,786,155)	-
PROFIT / (LOSS) AFTER TAX			
		2,902,620	7,651,643
Balance Brought Forward		(254,143,793)	(261,795,436)
Profit /Loss transferred to Balance Sheet		(251,241,173)	(254,143,793)
Notes to Account	"14"	-	-

As per our report of even date
FOR G. M. Purohit & Co.
Chartered Accountants

On Behalf of the Board of Directors

Sd/-
G. M. Purohit
Proprietor
Membership No. 031338
Mumbai, August 31, 2010.

Sd/-
Natwar Sureka
Chairman & Managing Director

Sd/-
Manju Sureka
Director

	As At 31st March 2010	As At 31st March 2009
<u>SCHEDULE 1 :</u>		
<u>SHARE CAPITAL</u>		
<u>AUTHORISED CAPITAL</u>		
12505000 (P.Y. 12505000) Equity Shares of Rs. 10 each	<u>125,050,000</u>	<u>125,050,000</u>
 <u>ISSUED, SUBSCRIBED AND PAID UP</u>		
12010000 (P.Y. 12010000) Equity shares of Rs. 10 Each	120,100,000	120,100,000
	<u>120,100,000</u>	<u>120,100,000</u>
 <u>SCHEDULE 2 :</u>		
<u>RESERVES & SURPLUS</u>		
Share Premium Account	83,145	83,145
Capital Reserve	128,648,232	128,648,232
	<u>128,731,377</u>	<u>128,731,377</u>
 <u>SCHEDULE 3 :</u>		
<u>UNSECURED LOANS</u>		
Short Term Loan		
From Members	4,765,248	4,765,248
From Others	4,658,868	2,555,853
	<u>9,424,116</u>	<u>7,321,101</u>

SCHEDULED 4:

Description	Rate	FIXED ASSETS									
		As at 31.03.2009	Addition	Deducti ons /Adjus tments	As at 31.03.2010	Upto 31.03.2009	For the year	Deducti ons /Adjust ments	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Computer System	16.21	0	24500		24,500	0	152		152	24,348	665,012
Furniture & Fixture	6.33	0	309806		309,806	0	752		752	309,054	665,012
Plant & Machinery	4.75	1,96,2096			1,96,2096	1,297,084	93,200		1,390,284	571,812	665,012
Office Equipments	4.75	903,594	70275		973,869	656,392	43,049		699,441	274,428	247,202
Total		2,865,690	404,581	0	3,270,271	1,953,476	137,153	0	2,090,629	1,179,642	2,242,238
Previous Year		2,865,690			2,865,690	1,817,355	136,121		1,953,476	912,214	1,048,335



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FRONTLINE BUSINESS SOLUTIONS LTD
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010

	As At 31st March 2010	As At 31st March 2009
<u>SCHEDULE 5 :</u>		
<u>INVESTMENTS (UNQUOTED AT COST)</u>		
Investment in Govt Securities (National Saving Certificates(VIII))	63,514	63,514
	63,514	63,514
<u>SCHEDULE 6 :</u>		
<u>SUNDRY DEBTORS</u>		
Outstanding for over six months		-
- Considered Good		
- Considered Doubtful		
Other Debts - Considered Good	721,600	
	721,600	-
<u>SCHEDULE 7 :</u>		
<u>CASH & BANK BALANCE</u>		
Cash in Hand	36,828	5,392
Balances with Scheduled Banks in ;		
- Current Accounts	312,391	45,723
- Dividend Account	80,873	80,873
	430,092	131,988
<u>SCHEDULE 8 :</u>		
<u>LOANS, ADVANCES & DEPOSITS</u>		
Advances recoverable in cash or in Kind		
TDS (F.Y- 2007-2008)	---	66,950
TDS (F.Y.- 2009-2010)	331	--
Service Tax (F.Y. - 2009-2010)	24,117	--
Security Deposits - Considered Good	473,456	210,000
	497,904	276,950
<u>SCHEDULE 9 :</u>		
<u>OUTSTANDING LIABILITIES</u>		
Sundry Creditors - Capital Goods	90,000	-
Sales Tax Payable - Bangalore	134,532	134,532
Outstanding Expenses	59,752	16,290
TDS Payable	1,000	1,030
	285,284	151,852



SCHEDULE 10 :

Deferred Revenue Expenses

Expenses for Issue of Bonus Shares

Filing Fees CDSL - Bonus Issue	17,448	21,810
Filing Fees NSDL - Bonus Issue	2,429	3,036
Postage & Courier	129,273	161,591
Printing & Stationary	15,309	19,136
Processing Fees - BSE	35,955	44,944
Franking & Revenue Stamp	48,040	60,050
ROC Filing Fees - Bonus Issue	35,955	44,944
ROC Filing Fees - Share Capital	240,200	300,250
Stamp Duty - Share Capital	96,088	120,110
	<hr/> 620,697 <hr/>	<hr/> 775,871 <hr/>



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FRONTLINE BUSINESS SOLUTIONS LTD

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31ST MARCH 2010**

	Year Ended on 31st March 2010	Year Ended on 31st March 2009
<u>SCHEDULE 11 :</u>		
<u>INCOME</u>		
Education Center	729,228	-
Professional Fees	449,010	800,000
Sundry Creditors Bal W/Back	-	7,681,231
	<u>1,178,238</u>	<u>8,481,231</u>
<u>SCHEDULE 12 :</u>		
<u>MANAGEMENT EXPENSES</u>		
Advertisement Expenses	188,100	-
Audit Fees	10,000	11,030
Deferred Revenue Expenses W/Off	155,174	-
Electricity Charges	72,050	17,450
Internet Charges	4,591	-
Legal Expenses	12,460	45,657
Listing Fees	164,064	15,150
Membership & Subscription	24,600	23,161
News Paper Publication	24,930	11,174
Office Exp	29,814	41,300
Postage & Courier Charges	71,827	73,650
Printing & Stationary	59,334	117,354
Professional fees	30,000	65,713
Professional Tax Paid	2,500	8,500
Rent	221,998	48,820
Registrar & Transfer Exp	32,674	-
Repair & Maintenance	11,045	-
Salary and Wages	526,193	100,000
Sales Promotion	88,237	-
Secretarial Expenses	120,000	112,472
Service Tax Paid	19,763	-
Staff Welfare Expenses	3,693	-
Telephone Expenses	12,520	-
Traveling & Conveyance Exp	12,006	-
Website Development Charges	32,000	-
	<u>1,929,573</u>	<u>691,431</u>
<u>SCHEDULE 13 :</u>		
<u>FINANCIAL EXPENSES</u>		
Bank Charges	747	2,036
	<u>747</u>	<u>2,036</u>

SCHEDULE – 14:**Significant Accounting Policies and Notes on Accounts****I. Significant Accounting Policies****1 Basis of Accounting:**

The Company prepares its financial statement in accordance with the generally accepted accounting on accrual basis and as per the provisions of the Companies Act, 1956 except where stated otherwise.

2 Fixed Assets & Depreciation:**2.1 Fixed Assets:**

Fixed Assets are stated at the cost of acquisition inclusive of all incidental expenses incurred towards acquisition and installation thereof.

2.2 Depreciation:

Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed under schedule – XIV of the Companies Act, 1956.

3 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 whereas the revenue from the tuition activity is recognized in the year of booking/admitting of student.

Revenue is recognized inclusive of applicable taxes.

Interest Income on Income Tax Refund is recognized on receipt basis

4 Taxation:

No provision for taxation is made since the company has incurred loss and it has huge carried forward losses.

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

5 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/- .

II. Notes on Accounts

- 1 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.
- 2 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.
- 3 No amounts are outstanding to Micro, Small and Medium Enterprises Development Act, 2006 for the year ended on 31st March 2010.
- 4 Auditor's Remuneration comprises of the following:

Particulars	2009-2010 (Amt. Rs.)
Audit Fees	5000
Taxation	5000
Service Tax	1030
Total	11,030

5 Deferred Tax Assets /(Liabilities) :

The Company has recognized deferred tax arising on account of timing difference, being the difference between the taxable income and accounting income, that originated in one period and is capable of reversal in one or more subsequent period(s) in compliance with Accounting Standard (AS-22) Accounting for Taxes on Income issued by Institute of Chartered Accountant of India.

(Amount In Rs.)

Deferred Tax Assets	As on March 31, 2010
Arising on account of Carried Forward Business and Depreciation Losses of Previous years	37,64,540
Arising on account of difference between Depreciation as per Income Tax Act,1961 and Companies act,1956	21,615
TOTAL	37,86 ,155

6 Earning Per Share:

Basic earning per share	(0.07)
Profit (Loss) after tax as per profit & loss Account	(8,83,535)
Weighted average number of equity shares outstanding	1,20,10,000

7 Information on Related party transaction as required by Accounting Standard (AS 18) for the year ended 31st March, 2010

Associate Companies

Frontline Sales Ltd.

Frontline HR Solutions Ltd.

Key Managerial Personnel

Natwarlal Sureka - Managing Director

8 Details of significant transactions and balance with related parties

Nature of Transaction	Associates	Key Managerial Personnel	Total
Loan Received	3033752	Nil	3033752
Loan Paid	558087	Nil	558087



17TH ANNUAL REPORT 2009 – 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	PARTICULARS	AMOUNT	2009-2010	AMOUNT	2008-2009
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit After prior period item but before tax		(883,535)		76,51,643
	Adjusted for:				
	Depreciation	137,153		136,121	
	Interest & Financial Charges	--		1,926	
	Interest & Dividend Received	--		--	
	Deferred Revenue Expenditure written off	155,174	292,327	--	138,047
		(A)	(591,208)	(A)	77,89,690
	Operating Profit Before Working Capital Changes				
	Adjusted For:				
	Increase in Inventories	--		--	
	Increase in Sundry debtors	(721,600)		--	
	Increase in Loan, Advances & Deposit	(220,954)		(210,000)	
	Increase in Current Liabilities	133,432		(7,675,136)	
	Cash Generated from operation		(809,122)		(7,885,136)
	Less : Income Tax Paid		--		--
	Net cash generated from operating activities		(809,122)		(7,885,136)
B	Cash Flow From Investing Activities				
	Purchase of Investment		(404,581)		--
	Sales/Adjustments of Fixed Assets		--		--
	Capital Work In Progress		--		--
	Interest & Dividend received		--		--
	Net Cash From Investing Activities		(404,581)		--
C	Cash Flow From Financing Activities				
	Proceeds from Borrowings	2,103,015		801,571	
	Interest & Financial Charges paid	--		(1,926)	
	Deferred Revenue Expenditure	--		(775,871)	
	Net Cash Used In Financing Activities	(C)	2,103,015	(C)	23,774
	Net Increase in Cash & Cash Equivalents	(A+B+C)	298,104	(A+B+C)	(71,671)
	Cash and Cash Equivalents as at (Opening Balance)		131,988		203,659
	Cash and Cash Equivalents as at (Closing Balance)		430,092		131,988

For and on behalf of the Board of Directors

Sd/
Natwar Sureka
Chairman & Managing
Director

Sd/
Manju Sureka
Director

Place : MUMBAI
DATE: August 31, 2010



17TH ANNUAL REPORT 2009 – 2010

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration Code

L17200MH1994PLC076018

State Code

11

Balance sheet Date

31/03/2010

II. Capital Raised During the year (Amt. in Rupees)

Public Issue

Right Issue

NIL

NIL

Bonus Issue

Private Placement

NIL

NIL

III. Position of Mobilisation and Deployment of Funds (Amt. in Thousand)

Total Liabilities

Total Assets

258255

258255

Paid up Capital

Reserves & Surplus

120100

128731

Secured Loan

Unsecured Loan

9424

Net Fixed Assets

Investments

1180

63

Net Current Assets

Misc. Expenditure

1364

621

P & L A/c

Deferred Tax Asset

251241

3786

IV. PERFORMANCE OF COMPANY (Amt. in Rupees)

Turnover

Total Expenditure

1184

2067

Profit/Loss Before

Profit/Loss After

Tax

Tax

(883)

2903

Earnings Per Share

Dividend Rate %

(0.07)

NIL

**V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS/
SERVICES OF COMPANY (As Per Monetary Term)**

Item Code No.

Product Description

-

Service Industry

As Per Our Report Of Even Date


On behalf of the Board of Directors

**FOR G. M. Purohit & Co.
CHARTERED ACCOUNTANTS**

Sd/-
G. M. Purohit
Proprietor
Membership No. 031338
Mumbai, August 31, 2010

Sd/-
Natwar Sureka
Chairman & Managing
Director

Sd/-
Manju Sureka
Director

A large, light gray silhouette of a person with their arms raised in a 'V' shape, set against a large, semi-transparent yellow circle that resembles a sun or moon. The person's legs are also visible, with one leg slightly forward.

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FRONTLINE BUSINESS SOLUTIONS LIMITED

Regd Off: Block No. A-1, Parle Colony CHS., Sahakar Road, Vile – Parle (East), Mumbai – 400 057.

FORM OF PROXY

Regd. Folio No./DP ID Client – ID _____

No. of Shares Held _____

I/We _____ of _____ in the District of _____ being a member/members of Frontline Business Solutions Limited, hereby appoint Mr./Ms. _____ of _____ in the district of _____ or failing him/her Mr./Ms. _____ of _____ in the district of _____ as my/our proxy to attend and vote for me/our behalf at the SEVENTEENTH ANNUAL GENERAL MEETING of the Company to be held on Thursday, September 30, 2010 at 11.00 a.m. and at any adjournment thereof.

Place: Mumbai

Date:

Affix 1 Rupee Revenue Stamp

Signature: _____

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered office of the Company, not less than 48 hours before the meeting.

.....TEAR HERE

FRONTLINE BUSINESS SOLUTIONS LIMITED

Regd Off: Block No. A-1, Parle Colony CHS., Sahakar Raod, Vile – Parle (East), Mumbai – 400 057.

ATTENDANCE SLIP

Seventeenth Annual General Meeting to be held on Thursday, September 30, 2010 at 11.00 a.m.

Regd. Folio No./ DP ID-Client ID _____

No. of Shares Held _____

I certify that I am a member/proxy of the Company.

I hereby record my presence at the Seventeenth Annual General Meeting to be held on Thursday, September 30, 2010 at 11.00 a.m. at Nityanand Nagar No. 4 Hall, Behind Better Home, Sahar Road, Andheri (East), Mumbai-400 069.

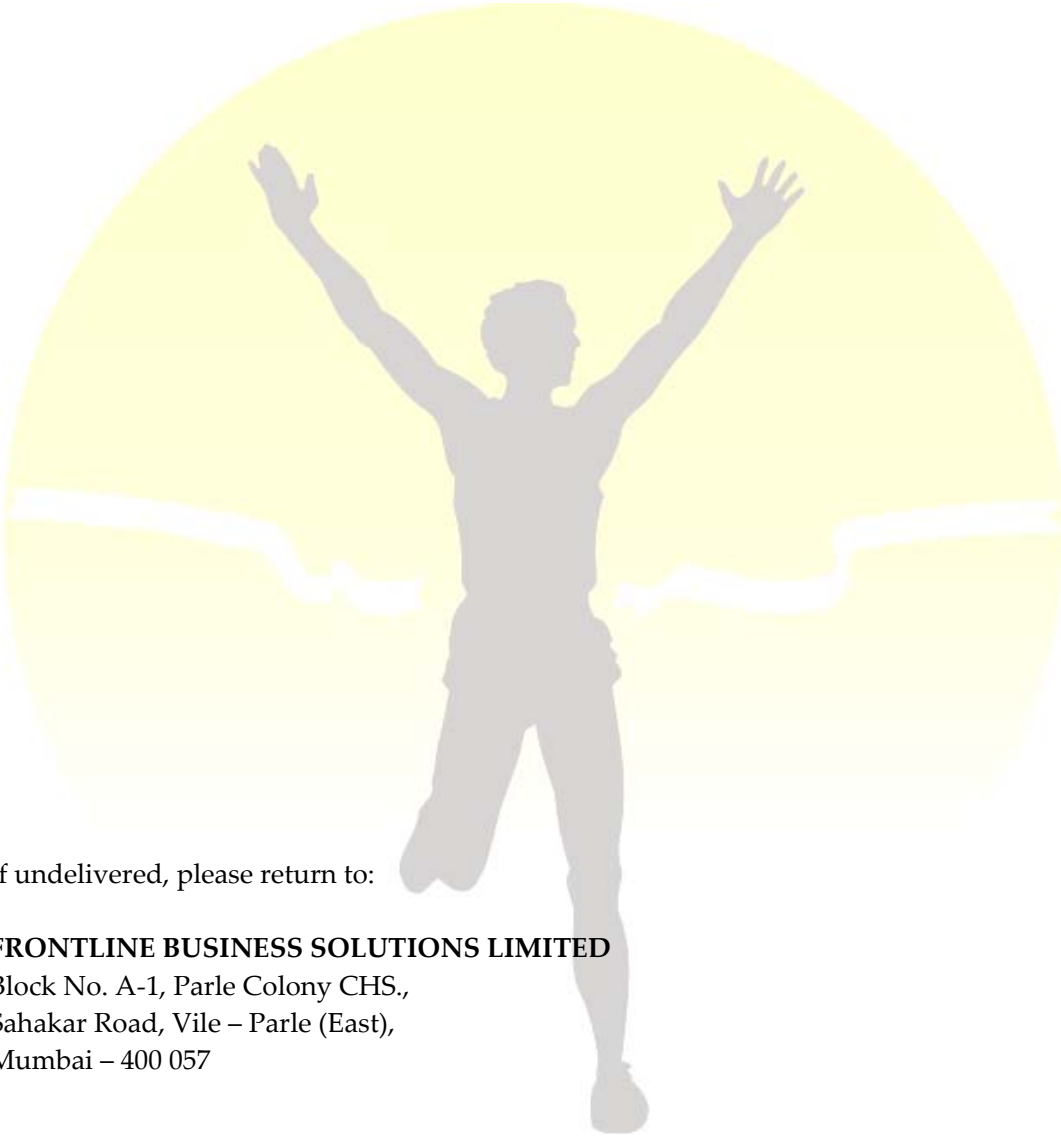
Member's /Proxy Name (in Block Letter)

Member's / Proxy Signature

Note: Please fill this attendance slip and hand it over at the ENTRANCE.

BOOK – POST

TO,



If undelivered, please return to:

FRONTLINE BUSINESS SOLUTIONS LIMITED
Block No. A-1, Parle Colony CHS.,
Sahakar Road, Vile – Parle (East),
Mumbai – 400 057