

TENTH ANNUAL REPORT

1998-99



FRONTLINE
TRANSPORT LIMITED

FRONTLINE TRANSPORT LIMITED

BOARD OF DIRECTORS

MR. RAMPRASAD AGARWAL	: DIRECTOR
MR. NARAYANPRASAD AGARWAL	: DIRECTOR
MR. VIRENDRA SHARMA	: DIRECTOR
MR. BHARAT ARORA	: DIRECTOR
MR. PAWANKUMAR AGARWAL	: MANAGING DIRECTOR

AUDITORS

M/S.JAIN KEDIA & SHARMA,
CHARTERED ACCOUNTANTS,
AHMEDABAD

BANKERS

DENA BANK
BANK OF BARODA,
PUNJAB & SIND BANK
ALLAHABAD BANK
THE JAMMU & KASHMIR BANK LTD.

REGISTERED OFFICE

4TH FLOOR, SHALIN BUILDING,
NEAR NEHRU BRIDGE CORNER,
ASHRAM ROAD,
AHMEDABAD-380009

FRONTLINE TRANSPORT LIMITED**NOTICE**

NOTICE is hereby given that the **Tenth** Annual General Meeting of M/s.Frontline Transport Limited will be held on Thursday,the 30th day of September, 1999 at 5 p.m. at Jhunjhunwala Farm House, Thaltej Road, Ahmedabad-380054 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance-Sheet as at 31st March, 1999 and the Profit & Loss Account for the period ended on that date together with the Directors' and Auditors' Report thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 1999.
3. To appoint a Director in place of Mr. Bharat Arora, who retires by rotation and being eligible offers himself for reappointment.
4. To re-appoint Auditors and fix their remuneration.

SPECIAL RESOLUTION

5. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:
 "RESOLVED THAT pursuant to Section 198, 269, 309, 314, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 Mr. Pawan Kumar Agarwal be and is hereby reappointed as Managing Director of the company on the following terms and conditions :

1. The appointment shall be for a period of 5 years with effect from 21st January, 2000.
2. He shall be entitled to the following Salary and Perquisites:
 - i) Salary: Rs.25,000/- (Rupees Twenty Five Thousand Only) per month in the grade of Rs.25,000-2500-35,000/-
 - ii) In addition to the salary, he shall be entitled to the perquisites:
 - a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these singly or put together are not taxable under the Income-Tax Act.
 - b) Gratuity payable shall not exceed half a month's salary for each completed year of service.
 - c) Encashment of leave at the end of the tenure.
 - iii) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. However, personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.
 - iv) In case the Company has no profits or profits are inadequate in any financial year during the terms of office, the Managing Director shall be entitled to receive the above salary and perquisites as minimum remuneration.
3. The Company will reimburse to the Managing Director such expenses as he may incur on behalf of the Company.
4. The Managing Director will be entitled to the earned privilege leave on full pay and allowance as per the rules of the Company not exceeding one month leave for every eleven months of service.
5. The Managing Director shall not be liable to retire by rotation.
6. The Managing Director shall not be entitled to receive any sitting fee for attending the meetings of the Board of Directors or committee thereof from the date of his appointment."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things and matters as may be necessary to give effect to the foregoing."

BY ORDER OF THE BOARD OF DIRECTORS

DATED : 9TH AUGUST, 1999

PAWANKUMAR AGARWAL
 MANAGING DIRECTOR

FRONTLINE TRANSPORT LIMITED**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
A proxy in order to be valid should be lodged at the Registered Office of the Company not later than 48 hours of the time of the Annual General Meeting.
2. Dividend, if declared, shall be paid to those members whose names appear on register of members on 30th September, 1999.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 25th September, 1999 to 30th September, 1999 (both days inclusive).
4. Members are requested to intimate the change in their addresses, if any, immediately to the Company.
5. Members are requested to bring their copy of the Annual Report at the meeting.

EXPLANATORY STATEMENT

[Pursuant to Section 173(2) of the Companies Act, 1956]

Item No.5 :

MR. PAWAN KUMAR AGARWAL WAS APPOINTED AS THE MANAGING DIRECTOR OF THE COMPANY WITH EFFECT FROM 21ST JANUARY, 1995 FOR A PERIOD OF 5 YEARS. THE COMPANY REGISTERED AN EXCELLENT PROGRESS UNDER HIS EFFECTIVE LEADERSHIP AND ABLE GUIDANCE. THE BOARD OF DIRECTORS AT ITS MEETING HELD ON 9TH AUGUST, 1999 HAD PASSED A RESOLUTION REAPPOINTING MR. PAWAN KUMAR AGARWAL AS THE MANAGING DIRECTOR OF THE COMPANY FOR A FURTHER PERIOD OF 5 YEARS AT A REMUNERATION AS SET-OUT IN THE DRAFT AGREEMENT AND STATED IN THE RESOLUTION AFORESAID.

YOUR DIRECTORS RECOMMEND THE RESOLUTION FOR YOUR APPROVAL.

A COPY OF THE DRAFT AGREEMENT TO BE ENTERED INTO DETAILING THE TERMS AND CONDITIONS OF HIS REAPPOINTMENT IS AVAILABLE FOR INSPECTION AT THE REGISTERED OFFICE OF THE COMPANY DURING NORMAL BUSINESS HOURS ON ANY WORKING DAY UPTO THE DATE OF THE MEETING.

THE TEXT OF THE RESOLUTION MAY BE DEEMED AS ABSTRACT OF THE TERMS AND CONDITIONS OF APPOINTMENT OF MR. PAWAN KUMAR AGARWAL UNDER SECTION 302(2) OF THE COMPANIES ACT, 1956 AS THE MANAGING DIRECTOR OF THE COMPANY.

None of the Directors except Mr. Pawan Kumar Agarwal, being the appointee and Mr. Ram prasad Agarwal and Mr. Narayan Prasad Agarwal being related, may be deemed to be concerned or interested directly or indirectly in the above resolution.

BY ORDER OF THE BOARD OF DIRECTORS

PAWANKUMAR AGARWAL
MANAGING DIRECTOR

DATED : 9TH AUGUST, 1999

FRONTLINE TRANSPORT LIMITED**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the Tenth Annual Report for the year ended 31st March, 1999.

FINANCIAL PERFORMANCE:

	(Rs. in Lacs)	
	Current Year 31-3-1999	Previous Year 31-3-1998
Income from Transport Operations	2293.90	2270.02
Income from Leasing Operations	85.31	167.49
Other Income	39.47	30.52
Interest	8.14	11.31
Depreciation	73.58	101.86
Profit Before Taxation	190.08	199.83
Provision For Income-Tax	63.50	77.00
Profit After Taxation	126.58	122.83
Transfer to General Reserve	15.00	12.50
Proposed Dividend	94.19	94.11
Corporate Dividend Tax	10.36	9.41
Balance Carried to Balance-Sheet	12.21	6.80

The Directors of the Company are pleased to recommend a dividend on Equity Shares at the rate of 19% absorbing a sum of Rs.94,19,488/-maintaining the same dividend as declared in the last year.

OPERATIONS

During the year under review, the Company has earned an income of Rs.2293.90 lacs from transportation operations in comparison with Rs.2270.02 Lacs in the previous year. The Company is in process of expanding the transportation activities. The income from lease rentals has decreased from Rs.167.49 lacs to Rs. 85.31 Lacs on account of general sluggish trend in the industry. The Company has earned a Gross Profit of Rs. 190.08 Lacs and after providing for taxation, the Net Profit is Rs. 126.58 Lacs.

PROJECTIONS VS. PERFORMANCE

The profitability projections reported in the prospectus dated 22nd April, 1996 in respect of the company's maiden public issue of Equity Shares and the profitability achieved for the year 1998-99 are shown below :

(Rs. in Lacs)

Particulars	Projected	Achieved
Total Income	2086.21	2218.69
Profit after Tax	131.55	126.58
Dividend	125.00	94.19
Dividend(%)	25%	19%
EPS (Rs.)	2.63	2.59