

**THIRTEENTH ANNUAL REPORT
2001-2002**

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FOR, FRONTLINE CORPORATION LTD


MANAGING DIRECTOR

FRONTLINE
CORPORATION LIMITED

FRONTLINE CORPORATION LIMITED

BOARD OF DIRECTORS

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

AUDITORS

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

BANKERS

DENA BANK
STATE BANK OF INDIA
INDUSIND BANK LTD
CITIBANK
PUNJAB & SIND BANK

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REGISTERED OFFICE

4TH FLOOR, SHALIN BUILDING,
NEAR NEHRU BRIDGE CORNER,
ASHRAM ROAD,
AHMEDABAD-380 009.

CORPORATE OFFICE

301, 3RD FLOOR,
SAFFRON BUILDING,
AMBAWADI CIRCLE,
AHMEDABAD - 380 006.

FRONTLINE CORPORATION LIMITED

NOTICE

NOTICE is hereby given that the **Thirteenth** Annual General Meeting of the members of M/s. Frontline Corporation Limited will be held on Monday, the 30th day of September, 2002 at 5p.m. at Jhunjhunwala Farm House, Thaltej Road, Ahmedabad – 380 054 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance-Sheet as at 31st March, 2002 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 of the Company for the year 2001-2002.
3. To appoint a Director in place of Mr. Bharat Arora, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Virendra Sharma, who retires by rotation and being eligible offers himself for reappointment.
5. To re-appoint Auditors and fix their remuneration.

By ORDER OF THE BOARD OF DIRECTORS

PLACE : AHMEDABAD
DATED : 29th JUNE, 2002

PAWANKUMAR AGARWAL
MANAGING DIRECTOR

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. The Register of Members and Share Transfer Books of the Company shall remain closed from 17th September, 2002 to 30th September, 2002 (both days inclusive).
3. Members are requested to intimate the change in their addresses, if any, immediately to the Company.
4. Members are requested to bring their copy of the annual Report at the meeting.

By ORDER OF THE BOARD OF DIRECTORS

PLACE : AHMEDABAD
DATED : 29th JUNE, 2002

PAWANKUMAR AGARWAL
MANAGING DIRECTOR

FRONTLINE CORPORATION LIMITED**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the Thirteenth Annual Report for the year ended 31st March, 2002.

FINANCIAL PERFORMANCE:

(Rs. in Lacs)

	Current Year 31-3-2002	Previous Year 31-3-2001
Income from Transport Operations	3621.79	3031.79
Income from Leasing Operations	1.13	13.00
Sales	428.65	299.61
Other Income	89.41	48.74
Interest	113.25	73.21
Depreciation	85.09	73.09
Profit Before Taxation	57.08	104.38
Provision For Income-Tax - Current Year	2.00	21.00
-Deferred	6.85	NIL
Profit After Taxation	48.23	83.38
Transfer to General Reserve	NIL	5.00
Prior Period Adjustments	(0.62)	3.08
Profit Brought Forward	31.62	16.10
Proposed Dividend	49.73	59.84
Corporate Dividend Tax	NIL	6.10
Balance Carried to Balance-Sheet	29.50	31.62

OPERATIONS

Your Company has earned an income of Rs.3621.79 lacs from Transportation Operations as compared to Rs.3031.79 lacs in the previous year recording a growth of 20% (approx.). The Company has earned a Gross Profit of Rs.57.08 lacs as compared to Rs.104.38 lacs in the previous year. The Company has earned a Net Profit of Rs. 48.23 lacs (Previous Year Rs.83.38 lacs) after providing for taxation of Rs.2.00 lacs for current year and Rs. 6.85 lacs for Deferred taxation. A Balance of Rs.29.50 lacs has been carried forward to Balance Sheet.

During the year under review, your company has consolidated its transportation activities and with the support of Citi Bank, ICICI Banking Corporation Limited and GE Capital, your Company has strengthened its fleet of transportation vehicles. The Company is also acting as an Authorised Distributor for Ahmedabad city for MICO products. The Company has also taken Distributorship of Mahindra and Mahindra spare parts. Your directors are hopeful to further improve the position of your Company.

DIVIDEND

Your Directors are pleased to recommend a lower Dividend @ 10% (Previous year @ 12%) absorbing a sum of Rs.49,73,450/- to the Equity Shareholders of the Company, whose names appear on the Register of Members on record date fixed for the purpose.

DEPOSITS

The Company has not accepted any deposits from public to which the provisions of Section 58-A of the Companies Act, 1956 and rules made thereunder are applicable.

FRONTLINE CORPORATION LIMITED**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars regarding Conservation of Energy and Technology Absorption pursuant to Section 217 (1) (e) of the Companies Act, 1956 are not applicable.

PARTICULARS OF EMPLOYEES

There is no employee who is in receipt of remuneration exceeding Rs.24,00,000/- if employed through out the year or Rs.2,00,000/- per month, if employed for part of the year, pursuant to Section 217(2A) of the Companies Act, 1956.

RESPONSIBILITY STATEMENT

The Directors confirm:

- a) that in the preparation of Annual Accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- b) that they have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and of the Profit or Loss of the Company for that period;
- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that they have prepared the Annual Accounts on a going concern basis.

DIRECTORS

Mr.Bharat Arora and Mr.Virendra Sharma, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment. You are requested to accord your approval to their appointment.

AUDITORS AND THEIR OBSERVATIONS

M/s. Jain Kedia and Sharma, Chartered Accountants, Ahmedabad retire at the ensuing Annual General Meeting and are eligible for reappointment. You are requested to reappoint the Auditors and fix their remuneration.

With regards to the observations made by the auditors in their report, the directors inform that the Company has taken effective steps to regularise the functioning of Kolkata Division for Provident Fund matters. The balance confirmation at the end of the year are being obtained from some of the parties. The Company is pursuing the recovery of doubtful debts and advances and is hopeful of recovery. The fixed assets register is maintained by the Company. However, some minor improvements are being carried out in the system. In the matter of other observations, the Board is taking adequate measures to act there upon.

ACKNOWLEDGMENT

The Board of Directors of the Company wishes to express its appreciation for the co-operation received from the Financial Institutions, Bankers and executives and staff members of the Company and looks forward to their continued support in the years to come.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PAWANKUMAR AGARWAL
MANAGING DIRECTOR

PLACE : AHMEDABAD
DATE : 29th JUNE, 2002

NARAYANPRASAD AGARWAL
DIRECTOR

FRONTLINE CORPORATION LIMITED**AUDITORS' REPORT****To the members of
FRONTLINE CORPORATION LIMITED**

We have audited the attached Balance Sheet of Frontline Corporation Limited as at 31st March 2002 and also the Profit and 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.

1. 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 assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of section 227(4A) 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.
3. Further to our comments in the Annexure referred to above, we report that:
 - i. 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;
 - ii. in our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of such books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us. The report of branch auditors of Kolkata Division (including the branches under its control), has been forwarded to us and has been appropriately dealt with;
 - iii. the Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of account and with the audited returns from the Kolkata Division;
 - iv. the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
 - v. on the basis of written representations received from the directors, as on 31st March, 2002, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi. attention is invited to the following notes in Schedule "U":
 - a. **Note No. A.8 (a) regarding non ascertainment of provident fund liability in respect of Kolkata Division. The effect of this on the Profit and Loss Account is not ascertainable;**
 - b. **Note No. B.2 regarding non confirmation of various balances. The effect of this on the Profit and Loss Account is not ascertainable;**
 - c. **Note no. B.7 of notes to accounts regarding short provision made in respect of doubtful debts amounting to Rs. 24,36,115/- and doubtful advances amounting to Rs. 3,19,240/-. The profit for the year is overstated to that extent;**
 - vii. subject to our comments in para vi. above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information 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:
 - (a) in the case of Balance Sheet of the state of affairs of the company as at 31st March 2002.; and;
 - (b) in the case of Profit and Loss account of the profit of the company for the year ended on that date.

For JAIN KEDIA & SHARMA
Chartered Accountants

Place : AHMEDABAD
Dated : 29th June, 2002

(Ramesh Kedia)
Partner