



FRONTLINE CORPORATION LIMITED

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FOR FRONTLINE CORPORATION LTD.

COMPANY SECRETARY

Annual Report 2008-2009



FRONTLINE CORPORATION LIMITED

Board of Directors	:	Mr. Ram Prasad Agarwal Mr. Narayan Prasad Agarwal Mr. Bharat Arora Mr. Virendra Sharma Mr. Saurabh Jhunjhunwala
Managing Director	:	Mr. Pawan Kumar Agarwal
Company Secretary	:	Mr. S. K. Verma
Statutory Auditors	:	M/S. Jain Kedia & Sharma Chartered Accountants, Ahmedabad
Branch Auditors	:	M/s. VPC & Associates, Chartered Accountants, Kolkata
Bankers	:	CITI Bank Dena Bank HDFC Bank Ltd. ICICI Bank Limited State Bank of India ING Vysya Bank Ltd. Punjab & Sindh Bank Limited The Jammu & Kashmir Bank Limited
Registered Office	:	4, B. B. D. Bag (East), Stephen House Room No. 5, 1st Floor, Kolkata - 700 001
Corporate Office	:	4th Floor, Shalin Building, Near Nehru Bridge Corner, Ashram Road, Ahmedabad - 380 009
Registrar & Transfer Agent	:	Pinnacle Shares Registry Private Ltd. Unit: Frontline Corporation Limited Near Asoka Mills, Naroda Road, Ahmedabad - 380 025

**FRONTLINE CORPORATION LIMITED****NOTICE**

NOTICE is hereby given that the **Twentieth Annual General Meeting** of the members of M/s. Frontline Corporation Limited will be held on Wednesday, the 30th September, 2009 at 10.00 a.m. at its Registered Office at 4, B. B. D. Bag (East), Stephen House, Room No. 5, 1st Floor, Kolkata – 700 001 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the period ended on that date together with Auditors Report and the Directors' Report thereon.
2. To appoint a Director in place of Shri Ram Prasad Agarwal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Saurabh Jhunjunwala who retires by rotation and being eligible offers himself for re-appointment
4. To re-appoint Statutory Auditors and Branch Auditors and to fix their remuneration.

**For and on behalf of Board of Directors of
FRONTLINE CORPORATION LIMITED**

Date: 2nd September, 2009

Place: Ahmedabad

**PAWANKUMAR AGARWAL
MANAGING DIRECTOR**

**FRONTLINE CORPORATION 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/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxy in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the Annual General Meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed Friday, 25th September, 2009 to Wednesday, 30th September, 2009 (both days inclusive).
3. Consequent upon amendment in Section 205A of the Companies Act., 1956 and introduction of Section 205C, by the Companies (Amendment) Act, 1999, the amount of interim dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund (Fund). Accordingly the Company would be transferring unclaimed/unpaid dividend in respect of Financial Year ended 31st March 2002 to the Fund. Members who have yet not encashed their Dividend Warrants for the years ended 31st March 2002 to 31st March 2009 are requested to contact the Company at its Corporate Office at 4th Floor, Shalin Building, Near Nehru Bridge Corner, Ashram Road, Ahmedabad – 380 009.
4. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company atleast ten days in advance, so as to enable the Company to keep the information ready.
5. Members are requested to kindly bring their copies of the Report and Accounts to the meeting.
6. Members are requested to notify changes in their mailing address, to M/s. Pinnacle Shares Registry Private Limited, Near Asoka Mills, Naroda Road, Ahmedabad – 380 025. In case of dematerialized shares, the change of mailing address, bank mandates etc., should be directly sent to the Depository Participant concerned.

**For and on behalf of Board of Directors of
FRONTLINE CORPORATION LIMITED**

**Date: 2nd September, 2009
Place: Ahmedabad**

**PAWANKUMAR AGARWAL
MANAGING DIRECTOR**



FRONTLINE CORPORATION LIMITED

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the **Twentieth Annual Report** for the year ended 31st March, 2009

Financial Performance:

(Rs, in Lacs)

		Current Year 31-3-2009	Previous Year 31-3-2008
Revenue from Operations		6457.49	4275.03
Other Income		202.97	217.11
Finance Charges		335.80	381.84
Depreciation		405.02	254.20
Profit Before Taxation		210.22	10.43
Provision for Income-Tax & Fringe Benefit Tax	Current Taxes	75.62	(4.50)
	Earlier Periods	2.03	0.38
Profit after Taxation		132.57	14.55
Prior Period Adjustments		1.52	(0.33)
Profit for the year		131.04	14.87
Profit Brought Forward		610.95	596.95
Appropriation towards defined benefit obligations of earlier years		NIL	0.87
Proposed Dividend		NIL	NIL
Balance Carried to Balance-Sheet		742.00	610.95

PERFORMANCE REVIEW:

Your Company has earned Revenue from Operations of Rs. 6457.49 Lacs as compared to Rs 4275.02 Lacs in the previous year registering a robust increase of 51.00 %. The Company posted Profit before Taxation of Rs. 210.22 Lacs in comparison to Profit before Tax of Rs. 10.43 Lacs in the earlier year. The Company earned a Profit after Tax of Rs. 131.04 Lacs in comparison to Rs. 14.87 Lacs in the previous year, after prior period adjustment of Rs. 1.52 Lacs in the current year. A Balance of Rs. 742.00 Lacs has been carried forward to Balance Sheet.

DIVIDEND:

With a view to conserve the resources, your directors have decided not to recommend any dividend for the year under review.

Transfer to Reserve & Surplus

The Board of Directors proposes to transfer Rs. 131.04 to Reserve & Surplus aggregating to Rs. 742.00.

Segment information,

Segments information are given along with financial statements. The company has identified five segments viz "Transportation, Trading, Manufacturing of Refractory Bricks, Renting of immovable properties & Wind Power Generation". The major and material activities of the company are restricted to three geographical segments i.e. Kolkata, Ahmedabad and Bangalore.

Transportation

The Company has two different kind of contracts viz. "Logistic Contracts and own trucks contract. Under the logistic contract, the Company enters into contract with its client for providing logistic support to various destinations by hiring trucks from the market and ensures transportation of goods to the designated destinations of its client. Under the contract for deployment of own trucks, the Company deploys its own trucks/ vehicles with its client round the clock. The Company expects 15-20% growth in both contracts.



FRONTLINE CORPORATION LIMITED

During the year under review, your Company has also received Transportation Contracts from valued customers and opened branches at Wada, Maharashtra, Cuttack, Orissa and Trichy, Tamilnadu and Rajula, Gujarat to cater needs of its valued clients. The Revenue from Transport Operations increased to Rs. 3784.62 Lacs in comparison to Rs. 2042.87 Lacs in the previous year registering a robust increase of 85%. The Company has already restructured its transport activities for optimum utilization of its fleet of commercial vehicles and is hopeful to come out with robust results in the days to come. Your Company is confident to increase its turnover in the current year and thus post an increased profit.

Trading

BOSCH Division is acting as the Main Distributor for Auto Components manufactured by "BOSCH Ltd." for the Automotive Aftermarket and supplies such spares to Authorised Service Centers of Bosch as well as to retail outlets and neutral garages and workshops. BOSCH is the global leader in Automotive Components and "BOSCH" brand products come as OE fitments in all ranges of vehicles worldwide. With newer models of vehicles being introduced in the market every year, the business has very good potential in future. The Revenue from trading Operations of automotive parts of "BOSCH" increased to Rs. 1011.06 Lacs in comparison to Rs. 802.59 Lacs in the previous year registering a robust increase of 26%.

Mahindra & Mahindra Division is acting as the Super Distributor for Auto Components & Farm Equipment manufactured by "Mahindra & Mahindra Ltd.," for the Automotive Aftermarket. With newer models of vehicles being introduced in the market every year, the business has very good potential in future. The Revenue from trading Operations of automotive parts of "Mahindra & Mahindra Ltd" decreased to Rs. 643.15 Lacs in comparison to Rs. 679.18 Lacs in the previous year registering a slight decline of 6% mainly due to stiff market condition.

Your Company has also received order for bulk supply of coal/coke. The supply of the same is yet to take place because of non-availability of designated quality of goods as well ongoing worldwide slow down.

Bricks Division

Your Company has facilities to manufacture Refractories Bricks of various sizes and qualities to cater the need of Steel Plants and Glass Plants.

The company's manufacturing facility is located in Kadi, Gujarat. The plant is modern and is supported by a team of qualified professionals. The plant's existing Installed Capacity is 4,800 Metric tons per annum.

The company produces complete range of Refractories including:

- Fireclay in Medium & High heat duty in all Shapes and sizes with Alumina contents from 30 to 45%
- High Grog & High Alumina Refractories with Alumina contents from 45% to 99% for various applications in Steel plants, Cement kilns, Glass furnaces, Sponge Iron, Aluminum, Non-Ferrous and Petrochemical Industries.
- Sillimanite & Andalusite bricks and blocks for Glass plants.
- Basic bricks including Magnesite, Magnesite Carbon, Magnesite Chrome, Chrome Magnesite, Alumina Chrome, Alumina Magnesite Carbon, Direct bonded Mag chrome etc
- mortars for Power Plants & Chemical Industry
- Insulation bricks in conventional and special light weight bricks
- Various grades of mortars, ramming masses, gunning mixes and full range of Castables

Within a short span of its commencement of manufacturing of Refractories Bricks, The Division has long list of satisfied customers. The Revenue from Operations of the division increased to Rs. 369.31 Lacs in comparison to Rs. 239.97 Lacs in the previous year registering a robust increase of 35%. During the year under review the Company has not exported bricks.

Wind Energy Generation:

Your company has been promoting Green Power through Wind Energy and to further the cause company has added 0.5 MW to its capacity.

Your company has entered into a contract with First Climate India Private Limited for sale of Voluntary Emission Reductions for the power generated through Wind Energy. The project is under the process of validation and we expect the process of verification to be done and VERs sold by the next financial year.

Wind Energy division had streamlined the process and had made efforts to put the machines running so that they have better Plant Load Factor (PLF). Monsoon was fine but not really good.



We continue to face the problem of realization of funds from the government. All the power generated is being sold to the Government and hence we need to wait for the payment which is getting delayed. This is having serious repercussions on the payments to be made for various term loans.

Your company has also entered into an agreement with M/s Ecolutions India to get the benefit of CDM for the .5 MW installed during the year. The project is under the process of validation

The Revenue from Operations of the division increased to Rs. 64.62 Lacs in comparison to Rs. 56.69 Lacs in the previous year registering a robust increase of 13.98%.

Renting of immovable properties

Looking to the prevailing recessionary trends in reality sector, Your Company is in the process of making investments in plots of various sizes at the competitive prices and is in the process of developing the plots. The income from Leave & Licence Agreement with TCS Ltd., is giving a steady source of income even during the peak of recessionary markets.

The Revenue from Operations of the division increased to Rs. 223.45 Lacs in comparison to Rs. 163.79 Lacs in the previous year registering a robust increase of 36.42%.

Subsidiary of the Company.

The Company does not have any subsidiary Company.

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 there under are applicable.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The details of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the Annexure 'B' which forms part of the Directors' Report

Particulars of Employees:

The information required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employee) Rules, 1975 as amended to date is not attached as there are no employees who are in receipt of remuneration in excess of prescribed limits.

Directors' 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 judgments and estimates that are responsible 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.



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Directors:

Shri Ram Prasad Agarwal and Shri Saurabh Jhunjhunwala, 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.

None of the Directors of your Company is disqualified as per provisions of Section 274(1) (g) of the Companies Act, 1956. The Directors of the Company have made necessary disclosures as required under various provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Auditors and their observations:

M/s Jain Kedia and Sharma, Chartered Accountants, Ahmedabad, Statutory Auditors of the Company retires at the ensuing Annual General Meeting and are eligible for reappointment. You are requested to reappoint the Auditors.

M/s. VPC & Associates, Chartered Accountants, Kolkata, Branch Auditors of the Company retires at the ensuing Annual General Meeting and are eligible for reappointment. You are requested to re-appoint the Auditors.

The Auditors in their Report Dated 2nd September, 2009 have made certain observations on the accounts for the year under review. The physical verification of most of the assets was made during the year under review and the fixed asset register is being updated on regular basis. The internal audit system is being strengthened in terms of size and operations of the company. The Company has taken trade advance from one of the customers and the transaction not being profitable, the part advance is being returned to the customer without interest. The company has supplied material to two of the concerns in which some of the directors of the company were interested. The Company is in the process of taking remedial action in the matter. The slight delay in payment of statutory dues has been caused on account of clerical oversight and the company is strengthening the system to avoid any such delays in future.

Corporate Governance Report:

The Corporate Governance & Management Discussion & Analysis (MDA) Report forms part of the Directors' Report and is set out as separate annexure to this report. The certificate from the Statutory Auditors of the Company certifying compliance of the conditions of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement is annexed to the report on Corporate Governance

Acknowledgement:

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 look forward to their continued support in the years to come.

**For and on behalf of Board of Directors of
FRONTLINE CORPORATION LIMITED**

Date: 2nd September, 2009

Place: Ahmedabad

**RAMPRASAD AGARWAL
CHAIRMAN**



FRONTLINE CORPORATION LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

Information as required under Section 217(1) (e) read with the Corporate (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988

A CONSERVATION OF ENERGY

Energy Conservation measures taken:

The Company through continuously improving its manufacturing process and efficiency at its plants and offices continues its endeavor to improve energy conservation and utilisation.

Additional Investments and proposals being implemented for reduction of consumption of Energy:

The efforts to conserve energy on other areas are in progress.

Impact of above measures:

More efficient utilization of power and reduction in energy consumption.

Total energy consumption and energy consumption per unit of production:

As per Form - A attached

TECHNOLOGY ABSORPTION AND INNOVATIONS

Efforts made in technology absorption:

As per Form - B Annexed

FOREIGN EXCHANGE EARNING AND OUTGO

Activities relating to export, initiative taken to increase exports development of new export markets for products and services, and export plans:

Total foreign exchange used and earned:

Particulars	Amount in US Dollars	Amount (Rs. In Lacs)
Total Foreign Exchange earning	NIL (Previous Year NIL)	NIL (Previous Year NIL)
Total Foreign Exchange outgo	USD 200.00 (Previous Year USD 173.00)	Rs. 0.09 Lacs (Previous Year Rs. 0.07 Lacs)



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FORM - A

Disclosure of particulars with respect to Conservation of Energy for the year ended 31.03.2009

A. POWER AND CONSUMPTION

1. ELECTRICITY

	2008-2009	2007-2008
a) Purchased		
- Units (In Lacs)	286844	240096
- Total Amount (In Lacs)	16.71	12.49
- Rate (Rs./Units)	5.20	5.20
b) Through Diesel generator		
- Units (In Lacs)	---	---
- Units per Ltr. Of Diesel Oil	---	---
- Cost (Rs. /Units)	---	---

B. CONSUMPTION PER UNIT OF PRODUCTION

Electricity (Units/Mt.)	Units per MT	Units per MT
	633	662

FORM - B

Form for disclosure of particulars with respect to technology absorption

RESEARCH AND DEVELOPMENT (R&D)

- Specific Areas in which R&D proposed to be carried out by the Company:
- Benefits derived:
- Future plan of action taken:
- Expenditure on R&D (Rs. In Lacs)

a) Capital	:	NIL
b) Recurring	:	NIL
c) Total	:	NIL
d) Total R&D Expenditure as a percentage total turnover	:	NIL

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

- Efforts made: The Company absorbs the knowledge of refractory technology from various sources, such as know how from similar Companies. Published literature etc and thereafter adopt the same to company's infrastructure, effects improvement to the products and process of the Company including containment of pollution and control of effluents. Quality assurance system are placed in its plant. With this the complaints have reduced and consumers are feeling satisfied.
 - Benefits: Benefits derived from these efforts include process rationalization. Product, quality improvement an environmental friendly product.
- Particulars of Technology imported during last 5 Years:
 - Technological import : N
 - Year of Import :
 - Has technology been fully absorbed : I
 - If not absorbed, areas where this has not taken place, reasons thereof and future plans of action. : L