FRONTLINE CORPORATION LIMITED

22nd Annual Report
2010-2011

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Green Initiative

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies. Your Company has decided to join the MCA in its environmental friendly initiative.

Henceforth Company proposes to send documents such as Notice of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register/update their latest e-mail addresses with their Depositary Participant (D.P.) with whom they are having Demat A/c or send the same to the Company via e-mail at investors @frontlinecorporation.com.

We solicit your valuable co-operation and support in our endeavor to contribute our bit to the environment.

Board of Directors:

Mr. Ram Prasad Agarwal	:	Director
Mr. Narayan Prasad Agarwal	:	Director
Mr. Saurabh Jhunjhunwala	:	Director
Mr. Bharat Arora	:	Independent Director
Mr. Virendra Sharma	:	Independent Director
Mr. Jiw Raj Khaitan	:	Additional Director
Mr. Sital Kumar Banerjee	:	Additional Director
Mr. Pawan Kumar Agarwal	:	Managing Director

Company Secretary : Mr. S. K. Verma

Statutory Auditors : M/S. Paresh Thothawala & Co.,
Chartered Accountants,
Ahmedabad

Branch Auditors : M/s. VPC & Associates,
Chartered Accountants,
Kolkata

Bankers : Axis Bank
Bank of Baroda
Dena Bank
HDFC Bank Ltd.
ICICI Bank Limited
State Bank of India
Punjab National Bank
Punjab & Sind Bank
The Jammu & Kashmir Bank imited

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 : Sharepro Services (India) Pvt Ltd.
416-420, 4th Floor,
Devnandan Mall,
Opp. Sanyas Ashram,
Ellisbridge,
Ahmedabad - 380 006.

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the members of M/s. Frontline Corporation Limited will be held at 10.00 a.m. on Friday, the 30th September, 2011 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, 2011 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 Narayan Prasad Agarwal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Saurabh Jhunjhunwala who retires by rotation and being eligible offers himself for re-appointment
4. To appoint Statutory Auditors and Branch Auditors and to fix their remuneration.

As Special Business

5. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:- "RESOLVED THAT Mr. Jiw Raj Khaitan who was appointed as an Additional Director of the company with effect from 3rd September, 2011 and who holds such office up to date of this Annual General Meeting in terms of section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice under section 257 of the Companies Act, 1956 be and is hereby appointed as a director of the company, liable to retire by rotation."
6. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:- "RESOLVED THAT Mr. Sital Kumar Banerjee, who was appointed as an Additional Director of the company with effect from 3rd September, 2011 and who holds such office up to date of this Annual General Meeting in terms of section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice under section 257 of the Companies Act, 1956 be and is hereby appointed as a director of the company, liable to retire by rotation."

For and on behalf of Board of Directors of

FRONTLINE CORPORATION LIMITED

Date: 3rd September, 2011
Place: Ahmedabad

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/ 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 Monday, 26th September, 2011 to Friday, 30th September, 2011 (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 2004 to the Fund. Members who have yet not encashed their Dividend Warrants for the years ended 31st March 2004 to 31st March 2011 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. Sharepro Services (India) Pvt Ltd., 416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad - 380 006. In case of dematerialized shares, the change of mailing address, bank mandates etc., should be directly sent to the Depository Participant concerned.

7. Information relating to the Directors proposed to be re-appointed at Serial No. 5 & 6 of the special business is given in the Corporate Business Report.

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

Date: 3rd September, 2011
Place: Ahmedabad

PAWANKUMAR AGARWAL
MANAGING DIRECTOR

EXPLANATORY STATEMENT

In conformity with the provisions of section 173(2) of the Companies Act, 1956, the following Explanatory Statements set out all material facts relating to aforesaid Special Businesses:

Item No. 5

Pursuant to the provisions of Section 260 of the Companies Act, 1956 Shri Jiw Raj Khaitan was appointed as an additional director of the Company on 3rd September, 2011 to hold office up to the next Annual General Meeting. The company has also received a notice under section 257 of the Companies Act, 1956 from a member of the company along with requisite deposit signifying his intention to propose the appointed of Shri Jiw Raj Khaitan as a Director.

The Company has also received consent from Shri Jiw Raj Khaitan under the Companies Act, 1956 to act as director of the company, if appointed. Shri Jiw Raj Khaitan is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Companies Act, 1956 and has obtained Director Identification Number in terms of Section 266 (A) of the said Act.

Shri Jiw Raj Khaitan is 73 years of age. He is Bachelor of Commerce and has over 40 years of experience in the field of import export Management. He began his carrier with Hindusthan Motors Limited as an Executive and left at Managerial Level. After retirement, he worked as Plant Manager in two Companies having state of art technology in manufacturing of metallurgical Coke for about eight years. At present he is associated with a Steel Manufacturing Company at chief general manager l. He is also associated with another Company for proving assisting in setting up of a state of art plant with Chinese technology for production of furnace oil and carbon black out of waste rubber tyres.

Your directors, therefore, recommend this resolution for your approval.

None of the directors expect Shri Jiw Raj Khaitan is in any way, concerned interested in the proposed resolution.

Item No. 6

Pursuant to the provisions of Section 260 of the Companies Act, 1956 Shri Sital Kumar Banerjee was appointed as an additional director of the Company on 3rd September, 2011 to hold office up to the next Annual General Meeting. The company has also received a notice under section 257 of the Companies Act, 1956 from a member of the company along with requisite deposit signifying his intention to propose the appointed of Shri Sital Kumar Banerjee as a Director.

The Company has also received consent from Shri Sital Kumar Banerjee under the Companies Act, 1956 to act as director of the company, if appointed. Shri Sital Kumar Banerjee is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Companies Act, 1956 and has obtained Director Identification Number in terms of Section 266 (A) of the said Act.

Shri Sital Kumar Banerjee is 73 years of age. He is Graduate in Bachelor of Chemical Engineering from Jadavpur Unversity, Kolkata and MBA from Calcutta University. He worked as Junior Design Engineer in DCM Chemical Works, Delhi from 1959 to 1963 and then he joined as Development Engineer with Phosphate Co. Rishra, West Bengal and worked from for e brief period from 1963 to 1964. Therefater he worked as Project Engineer with Jayshree Chemicals and Fertilizers, Khardah, West Bengal for a brief period. He then joined as Asstt. Works Manager with Durgapur Chemicals Ltd.,, Durgapur, West Bengal from 1965 till 1972. After that, he joined as Branch Manager with Chemical 7 Metallurgical Design Co. Pvt. Ltd., New Delhi in the year 1972 and resigned as General Manager and CEO in the year 1990. Therefater he joined as CEO with GMDC Design Pvt. Ltd., from 1990 to 2009.. His professional qualifications are Fellow of Institution of Engineers (FIE), Chartered Engineer(CE), Fellow of Institution of Valuers(FIV). He is also senior member of American Institute f Chemical Engineers and Life Member of Institution of Chemical Engineers. Your Company would be benefitted by his diversified experience.

Your directors, therefore, recommend this resolution for your approval.

None of the directors expect Shri Sital Kumar Banerjee is in any way, concerned interested in the proposed resolution.

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

Date: 3rd September, 2011
Place: Ahmedabad

PAWANKUMAR AGARWAL
MANAGING DIRECTOR

EXPLANATORY STATEMENT OF MATERIAL FACTS AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 5

Mr. Pawan Kumar Agarwal was appointed as Managing Director of the Company with effect from 21st January, 1995 for a period of 5 years. He was further appointed as Managing Director of the Company with effect from 21st January, 2000 for a further period of 5 years and again with effect from 21st January, 2005 for a further period of 5 years. The Company registered an excellent growth under his effective leadership and able guidance. The Board of Directors at its meeting held on 21st January, 2010 had passed a resolutions re-appointing Mr. Pawan Kumar Agarwal as a Managing Director of the Company for a further period of five years w. e. f. 21st January 2010 and the other terms & conditions as set out in the 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 re-appointment and the aforesaid consent 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 , Mr. Narayan Prasad Agarwal and Mr. Saurabh Jhunjhunwala being related, may be deemed to be concerned or interested directly or indirectly in the above resolution.

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

Date: 3rd September, 2010
Place: Ahmedabad

PAWANKUMAR AGARWAL
MANAGING DIRECTOR

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 22nd Annual Report for the year ended 31st March, 2011

Financial Performance:

(Rs. in Lacs)

		Current Year 31-3-2011	Previous Year 31-3-2010
Revenue from Operations		**10149.02**	9319.69
Other Income		**73.25**	363.66
Finance Charges		**765.34**	446.12
Depreciation		**353.34**	437,30
Profit Before Taxation		**246.56**	374.16
Provision for Income-Tax & Fringe Benefit Tax	Current Taxes	**46.22**	203.95
	Earlier Periods	**5.28**	NIL
Profit after Taxation		**195.06**	170.21
Prior Period Adjustments		**8.13**	15.35
Profit for the year		**186.93**	154.86
Profit Brought Forward		**896.86**	742.00
Proposed Dividend		**NIL**	NIL
Balance Carried to Balance-Sheet		**1083.78**	896.86

OPERATIONAL / PERFORMANCE REVIEW

The company operates in five main business segments viz. Transportation, Trading, manufacturing, Generation of wind energy, and renting of immovable properties. The Transport Division comprises of income from Own Trucks and Logistic business is the 2nd largest in terms of sales revenue. This division accounts for 23.36% of the total turnover (including inter-segment) of the company for the year ended 31st March, 2011. Trading Division accounts for 63.42%, Manufacturing Division accounts for 4.34%, Generation of Wind Energy accounts for 1.19 % and others includes for 5.40 % of the total turnover of the company for the year ended 31st March, 2011.

During the year the company has achieved operational income of Rs. 101.49 Crores as against Rs. 93.20 Crores in the previous year. The company posted Profit before tax of Rs. 2.4 Crores as against Rs. 3.74 Crores in the previous year. The Company earned Profit after Tax of Rs. 1.87 Crores as against Rs. 1.55 Crores in the previous year after prior period adjustment of Rs. 0.08 Crores in the current year. A balance of Rs. 10.84 Crores has been carried forward to Balance Sheet.

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.

During the year under review, your Company continued to get / renewed transportation Contracts from valued customers to cater needs of its valued clients. The Revenue from Transport Operations decreased from Rs. 35.88 Crores in the previous year to Rs 25.43 Crores in the current year registering a decrease by 29.11%. due to closure of one major Branch and increased cost of oil and spare parts. The Company has already restructured its transport activities for

optimum utilization of its fleet of commercial vehicles and is hopeful to come out with satisfactory results in the days to come.

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. 16.46 Crores in comparison to Rs. 14.50 Crores in the previous year registering a increase 13.52%.

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" increased to Rs. 13.06Crores in comparison to Rs. 9.85 Crores in the previous year registering a higher increase of 32.60% mainly due to good potential in current scenario.

Iron & Steel Division:

The global iron ore market is hot. Everything good or bad about economic activities is visible here. On the one hand, there is strong recovery of demand with the global economic prospects back on track, statistically so till date, concerns nevertheless remain. On the other, speculators are back with panic driven Chinese steel industry rushing to build stock before they set the table for talks with the iron ore mining industry for the year's contract.

The future of the global iron ore industry depends on China. Many believe the steel industry's growth in China will slow down. At this stage, such a statement will be termed speculative only. The Chinese mills, however, may not yield much ground. They will dig more into their own resources, import more from the spot market and thereby reduce their dependence on contracted volumes, if the prices are not favorable. They have also invested heavily overseas on iron ore assets and will bring in substantial quantities from there to meet some critical needs. The iron ore industry knows that pushing the Chinese mills to a tightrope will boomerang in the long term. More the Chinese mills are stressed, more assets will they acquire, which ultimately will reduce the dependence on the global iron ore cartel. China cannot be ignored by the iron ore miners after all they produce nearly half of world's steel.

A question has always been in the forefront : should the global coal or iron ore contracts be floating types indexed to steel prices, or a market based free float, or of a short duration, say, a month or a quarter? So far, the global majors, tied to annual contracts, have not been able to capitalize on the higher spot prices running through the year on the average. It is not necessary that this will happen every year. Yet, an optimistic mining industry globally is pushing for this. This will effectively bring an end to the annual contracts.

The rise in global ocean freight has a very significant impact on the iron ore prices. A higher freight will effectively reduce the contract levels set on fob basis. Any attempt to push the burden of rising ocean freight on to the buyer will be resisted. And if iron ore shipping volumes drop, the dry bulk rates will also crash! One does not really know who will bear the brunt of this. It depends on the strength of the market: who is weak and who is not on the negotiating table.

India has taken a protectionist stance. The government needs revenue to support the routine development expenditure and also the stimulus measures. This also sends a signal to the local industry that rampant exports cannot be permitted forever when the local industry faces shortage. In addition, it has sent a strong signal that illegal mining has to stop. Many mines are currently under investigation with their mines lying closed. The local mining industry is lobbying hard to get out of the multiple crises.

"India's Iron Ore: Following the Global Meltdown" report discusses the current iron ore business in India, prospects for the future and unfolds the opportunities to provide strategic guidance to investors and all others related to iron ore business in India.