
EIGHTH ANNUAL REPORT

1996-97

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| MD | <input checked="" type="checkbox"/> | | BKC | <input checked="" type="checkbox"/> |
| CS | <input checked="" type="checkbox"/> | | DPY | <input checked="" type="checkbox"/> |
| RO | <input checked="" type="checkbox"/> | | DIV | <input checked="" type="checkbox"/> |
| TRA | <input checked="" type="checkbox"/> | | AC | <input checked="" type="checkbox"/> |
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FRONTLINE
TRANSPORT LIMITED



FRONTLINE TRANSPORT LIMITED

BOARD OF DIRECTORS

MR. RAMPRASAD AGARWAL

MR. NARAYANPRASAD AGARWAL

MR. VIRENDRA SHARMA

MR. BHARAT ARORA

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

CORPORATE & REGISTERED OFFICE

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

BRANCHES

ALLAHABAD, BARODA, BHARUCH, BHUJ,
CALCUTTA, GAZIABAD, GWALIOR, JAGDISHPUR,
KANPUR, KHALILABAD, MUMBAI, REWA, VERAVAL

REGISTRAR

M/S. ANURAG SERVICES PVT. LTD.
6TH FLOOR, SHANKAR CHAMBERS,
NEAR H.K. HOUSE, ASHRAM ROAD,
AHMEDABAD - 380 009.

FRONTLINE TRANSPORT LIMITED

NOTICE

NOTICE is hereby given that the **Eighth** Annual General Meeting of M/s. Frontline Transport Limited will be held on Tuesday, the 30th day of September, 1997 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, 1997 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, 1997.
3. To appoint a Director in place of Mr. Ramprasad Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

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. Virendra Sharma, who was appointed as an Additional Director of the Company on 17th December, 1996 and pursuant to Section 260 of the Companies Act, 1956 holds office upto the ensuing Annual General Meeting of the Company, be and is hereby appointed as a director of the Company whose period of office shall be liable to determination to retirement of directors 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. Bharat Arora, who was appointed as an Additional Director of the Company on 17th December, 1996 and pursuant to Section 260 of the Companies Act, 1956 holds office upto the ensuing Annual General Meeting of the Company, be and is hereby appointed as a director of the Company whose period of office shall be liable to determination to retirement of directors by rotation."
7. To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution :
"RESOLVED THAT pursuant to the provisions of Section 370 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby authorises its Board of Directors to give any guarantee or provide any security in connection with the loan(s) made by any bank, financial institution, or any other person to the Company or to any other body corporate, whether under the same management or not or to any other person, from time to time, and on such terms and conditions as the Board of Directors may deem fit provided that the aggregate value of all the guarantee given or securities provided by the Company shall not exceed Rs. 10,00,00,000/- (Rupees Ten Crores Only) at any one time."

BY ORDER OF THE BOARD OF DIRECTORS

PAWANKUMAR AGARWAL
MANAGING DIRECTOR

DATE : 30th June, 1997

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/HERSELF 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 less than 48 hours before 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, 1997.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 26th September, 1997 to 30th September, 1997 (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 & 6

Mr. Virendra Sharma and Mr. Bharat Arora were appointed as Additional Directors of the Company on 17th December, 1996 and hold office upto the ensuing Annual General Meeting of the Company pursuant to Section 260 of the Companies Act, 1956. The Company is in receipt of notices from members proposing their candidature for the office of directors pursuant to Section 257 of the Companies Act, 1956 alongwith a sum of Rs.500/- as deposit in each case.

The Board of Directors recommend the passing of the resolution for the regularisation of the said directors as set-out under Item No.5 & 6 above.

None of the directors of the Company, other than Mr. Virendra Sharma in the resolution set-out in item No.5 and Mr. Bharat Arora in the resolution set-out in item No.6, is in any way concerned or interested in the said resolutions.

Item No. 7

The Company is a Listed Public Limited Company and in the course of business, the Company is required to give corporate guarantees or securities in connection with the loans provided by banks, financial institutions, other bodies corporates or any other person(s) to the Company or any other body corporate(s) whether under the same management or not.

Section 370 of the Companies Act, 1956 provides that a company cannot give any guarantee or provide any security in connection with a loan made by any other person to, or to any other person by any body corporate unless the making of such loan(s), the giving of such guarantee or the provision of such security has been previously authorised by a Special Resolution of the lending company.

As the Company may be required to give such guarantees or provide such securities, it is proposed to authorise the Board of Directors of the Company to give such guarantees or securities upto a maximum amount of Rs.10 crores outstanding at any one time.

None of the directors of the Company is in any way concerned or interested in the resolution as set-out in Item No.7 unless such guarantee is given or the security is provided in favour of a company in which one or more of the directors of the company are directly or indirectly interested.

BY ORDER OF THE BOARD OF DIRECTORS

PAWANKUMAR AGARWAL
MANAGING DIRECTOR

DATE : 30th June, 1997

FRONTLINE TRANSPORT LIMITED**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the Eighth Annual Report for the year ended 31st March, 1997.

FINANCIAL PERFORMANCE

(Rs. in Lacs)

| | Current Year 31-3-1997 | Previous Year 31-3-1996 |
|----------------------------------|---------------------------|----------------------------|
| Income from Transport Operations | 1998.58 | 1895.83 |
| Income from Leasing Operations | 149.86 | 68.54 |
| Other Income | 19.13 | 5.52 |
| Interest | 17.56 | 19.83 |
| Depreciation | 81.25 | 60.58 |
| Profit Before Taxation | 107.20 | 83.21 |
| Provision For Income-Tax | 28.08 | 19.63 |
| Profit After Taxation | 79.23 | 63.58 |
| Transfer to General Reserve | 8.50 | 20.00 |
| Proposed Dividend | 84.04 | 23.45 |
| Corporate Dividend Tax | 8.40 | NIL |
| Balance Carried to Balance-Sheet | 0.84 | 22.55 |

The Directors of the Company are pleased to recommend a pro-rata dividend on Equity Shares at the rate of 21% absorbing a sum of Rs.84,03,677/-.

OPERATIONS

During the year under review, the Company has earned an income of Rs.1998.58 lacs from transportation operations in comparison with Rs.1895.83 in the previous year recording a growth of 5.42% approx. The Company is in process of expanding the transportation activities. The income from lease rentals has increased from 68.54 lacs to Rs.149.86 lacs registering a growth of 119%. The directors are hopeful that in the year to come, the activities would be enhanced substantially and the profitability of the Company would mark new heights.

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 1996-97 are shown below :

(Rs. in Lacs)

| Particulars | Projected | Achieved |
|------------------------|-----------|----------|
| Total Income | 1388.88 | 2167.57 |
| Profit after Tax | 134.86 | 79.23 |
| Dividend(pro rata) | 75.00 | 84.04 |
| Dividend(%) (pro rata) | 15.00% | 21.00% |
| EPS (annualised) Rs. | 2.70 | 1.58 |

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.

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 as the Company is engaged in transportation and leasing activities.

During the year the company has not earned any foreign currency. However, the Company has expended Rs.9,500/- in foreign currency on foreign travel of one of the executives of the Company.

FRONTLINE TRANSPORT LIMITED**PARTICULARS OF EMPLOYEES**

There is no employee who is in receipt of remuneration exceeding Rs.3,00,000/-, if employed through out the year or Rs.25,000/- per month, if employed for part of the year, pursuant to Section 217(2A) of the Companies Act, 1956.

DIRECTORS:

Mr. Ramprasad Agarwal, director retires by rotation and being eligible offers himself for re-appointment. You are requested to consider the resolution concerning his reappointment.

Mr. Virendra Sharma and Mr. Bharat Arora were appointed as Additional Directors of the Company on 17th December, 1996 and pursuant to Section 260 of the Companies Act, 1956 hold the office upto the ensuing Annual General Meeting of the Company. The necessary resolutions for regularising their appointments are incorporated in the Notice for your approval.

AUDITORS:

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.

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

NARAYANPRASAD AGARWAL
DIRECTOR

PLACE : Ahmedabad
DATE : 30th June, 1997

PAWANKUMAR AGARWAL
MANAGING DIRECTOR