



***FRONTLINE CORPORATION LIMITED***

***25th Annual Report***

***(2013-2014)***



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25<sup>th</sup> Annual General Meeting on Tuesday, 30<sup>th</sup> September, 2014 at 10.00 a.m. at its Registered Office at 4, BBD Bag (East), Room No. 5, 1<sup>st</sup> Floor, Stephen House, Kolkata - 700 001

**Board of Directors:**

Mr. Ram Prasad Agarwal	: Director
Mr. Narayan Prasad Agarwal	: Director
Mr. Saurabh Jhunjunwala	: Director
Mr. Bharat Arora	: Independent Director (resigned on 25 <sup>th</sup> August, 2014)
Mr. Virendra Sharma	: Independent Director
Mr. Jiw Raj Khaitan	: Independent Director
Mr. Sital Kumar Banerjee	: Independent Director
Mr. Rahul Chomal	: Independent Director ( appointed w.e.f. 14.08.2014 )
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 & Sind Bank  
The Jammu & Kashmir Bank Limited

**Registered Office** : 4, B. B. D. Bag (East),  
Stephen House  
Room No. 5, 1<sup>st</sup> 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 25<sup>th</sup> Annual General Meeting of the members of Frontline Corporation Limited will be held at 10.00 a.m. on Tuesday, 30<sup>th</sup> day of September, 2014 at 4, B.B.D. Bag ( East ), Stephen House, Room No. 5, 1<sup>st</sup> Floor, Kolkata – 700 001 to transact the following businesses:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Statement of Profit and Loss for the year ended March 31, 2014 the Balance Sheet as at that date and reports of the Director and the Auditors thereon and other documents attached or annexed thereto.
2. To Re-appoint Mr. Ram Prasad Agarwal , Director of the Company ( holding Director Identification Number 00060359 ), liable to retire by rotation in terms of section 152(6) of the companies Act, 2013 and, being eligible , offers himself for Re-appointment.
3. To Re-appoint Mr. Saurabh Jhunhunwala, Director of the Company ( holding Director Identification Number 00060432 ), liable to retire by rotation in terms of section 152(6) of the companies Act, 2013 and, being eligible ,offers himself for Re-appointment.
4. To reappoint the Statutory Auditors and to fix their remuneration and in this regards pass with or without modification(s) the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provision of Section 139, 142 and other applicable provision, if any, of the Companies Act, 2013 , M/S Paresh Thothawala & Co. ( Firm Registration No. 117444W) , Chartered Accountant, Ahmedabad be and are hereby reappointed as the statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and re-imbursement of travelling and out of pocket expenses incurred by them for the purpose of audit. “

5. **to consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:**

“RESOLVED THAT, pursuant to provision of Section 139, 141, 143 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder, if any, M/s. VPC & Associates, Chartered Accountants, Kolkata ( Firm Registration No. 313203E) be and is hereby appointed as a Branch Auditors of the Company for the Kolkata Division of the Company to hold office from the conclusion of this meeting until the conclusion of 27<sup>th</sup> Annual General Meeting of the Company, subject to the ratification by the Shareholders at each annual general meeting of the Company and to report to the Statutory auditors of the Company upon such remuneration plus applicable service tax and re-imbursement of travelling and out of pocket expenses as may be mutually decided between the Company and the Branch Auditors

### **SPECIAL BUSINESS**

6. **To consider and, if thought fit, to pass , with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT in supersession of the earlier resolution passed at the 19<sup>th</sup> annual general meeting of the members of the Company held on 30<sup>th</sup> September, 2008 the consent of the Members of Company be and is hereby accorded under the provision of Section 180 ( 1 ) ( c ) of the Companies Act, 2013, to the Board of Directors to borrow from time to time such sum or sums of money as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from cash credit arrangement , discounting of bills and other temporary loans obtained from Company's banker in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the paid up share capital of the Company and its free reserve, that is to say, reserve not set apart for any specific purpose; provided the total amount up to which monies may be borrowed by the board of director and which shall remain outstanding at any given point of time shall not exceed the sum of Rs 700 Crores ( Rupees Seven Hundred Crores).”

7. **To consider and if thought fit to pass with or without modification the following resolution as an Special Resolution** "RESOLVED THAT in supersession of resolution passed by the members of the Company in the matter of Section 293 ( 1 ) ( a ) of the Companies act, 1956, if any, and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the Act and rules made there under, if any (including any statutory modification or re-enactment thereof) and of the Articles of Association of the Company, Consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) of the Company, to borrow, from time to time, any sum or sums of money (including non-fund based banking facilities) as may be required for the purpose of the business by creating mortgages, charges, hypothecation as may be necessary on the assets of the company, both present and future in such manner as the Board may deem fit, provided that the amount to be borrowed shall not exceed Rs. 700.00 Crores.

8. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :**

"RESOLVED THAT pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rahul Chomal (holding Director Identification Number 01291942 ), who was appointed as additional Director in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years from the date of his appointment by the Board i.e. up to 13<sup>th</sup> August, 2019.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

9. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :**

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Shri Virendra Sharma, (holding Director Identification Number 01148786 ) and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying to propose Shri Virendra Sharma, as Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019."

10. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Shri Jiwraj Khaitan, ( holding Director Identification Number 01570231 ) and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying to propose Shri Jiwraj Khaitan, as Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019."

11. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Shri Sital Kumar Banerjee, ( holding Director

Identification Number 02175399 ) Director of the Company and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying to propose Shri Sital Kumar Banerjee as Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019."

By order of the Board of Directors of  
**Frontline Corporation Limited**

Place : Ahmedabad  
Date : August 25, 2014

**Pawan Kumar Agarwal**  
Managing Director

### **NOTES:**

- A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (MEETINGS) 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** The proxy from duly completed and signed , should be lodged with the company , at its registered office at least 48 hours before the time of the meeting. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- B.** The relative Explanatory Statement , pursuant to section 102 (2) of the companies act , 2013 (corresponding to 173 (2) of the companies act , 1956), in respect of the special business under item no. 5 to 11 are annexed hereto
- C.** Pursuant to the provision of Section 91 of the Companies Act , 2013 (corresponding to 154 of the companies act , 1956), the registered of members and share transfer books of the company will remain closed Tuesday 23<sup>rd</sup> September, 2014 to Tuesday 30<sup>th</sup> September, 2014 ( both the days inclusive), for determining the entitlement of the shareholder to the payment of dividend.
- D.** All documents referred to in the notice and the explanatory statement requiring the approval of the members at the meeting and other statutory register shall be available for inspection by the Members at the registered office of the company during office hours on all working days between 11.00 a.m to 1.00 p.m. on all days except Saturdays, Sundays and public holiday, from the date hereof up to the date of the annual general meeting.
- E.** The Notice of the 25<sup>th</sup> Annual General Meeting with instruction for e-voting, along with attendance slip and proxy form is being dispatched to the Members by Post (and electronically by e-mail to those Members who have registered their e-mail IDs with the Company /Depositories) whose names appear in the Register of Members/list of beneficial owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) on 22<sup>nd</sup> August, 2014. Members may also note that the notice of the 25th AGM and the annual report 2013-14 will be available on the company's website **[www.frontlinecorporation.org](http://www.frontlinecorporation.org)**
- F.** Members are entitled to make nomination in respect of shares held in physical form. Members desirous of making nominations are requested to send their requests in Form 2B (specimen available on request) to the Registered office of the Company.
- G. Voting through electronic means:** In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 25<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting. The Company has signed an agreement with CDSL for facilitating such e-Voting by the Members. Kindly note that each Member can opt for only one mode for voting i.e. either by Physical Ballot or by E-voting. However, in case members cast their vote both via physical ballot and e-voting, then voting through postal ballot shall prevail and voting done by e-voting shall be treated as invalid. The detailed instructions for e-voting is given in the Annexure.

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013:**

**Item No. 6**

In terms of the earlier resolution passed by the members of the Company in the 19<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2008, the amount upto which the Board of Directors of the Company can borrow shall not exceed Rs. 500.00 Crores. In view of expected growth in business of the Company and in view of provisions of section 180 (1) (c) of the Companies Act, 2013, it may be necessary for the Company to borrow monies from various sources consequent to which the amount outstanding could exceed the present limit. Further as per the provision of Section 180 (1) (c) of the Companies Act, 2013 and the rules made there under the Board of Directors cannot borrow money in excess of the paid up Share Capital and free reserves and accordingly as per new law, it is now required that such a resolution be by way of a special resolution. Passing of this Special resolution will give consent to the Board of Directors of the Company to borrow money including various secured and unsecured loans, provided that the total amount borrowed together with the amount to be borrowed from time to time shall not exceed the limit of Rs 700 Crores ( Rupees Seven Hundred Crores ).

Your Directors accordingly recommend increase in the borrowing powers to Rs. 700.00 Crores as set out in the resolution at Item No. 6 for approval of the members.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5 of the Notice.

**Item No. 7**

In terms of the earlier resolution passed by the members of the Company in the 19<sup>th</sup> annual general meeting held on 30<sup>th</sup> September, 2008, the amount upto which the Board of Directors of the Company can borrow shall not exceed Rs. 500.00 Crores. As per the provision of Section 180 (1) (a) of the Companies Act, 2013 and the rules made there under the Board of Directors cannot create mortgage or charge on the assets of the Company unless prior approval of the members is obtained. With the increase in amount of borrowing to be made by the Company it is also necessary to create charge or mortgage in favor of any one or more Banks, financial institution or financial companies or any other person or entity. With this resolution the Board of Directors of the Company intends to borrow money by way of creation of charge or mortgage on the assets of the Company, both present and future, provided that the total amount of charge or mortgage to be created on the assets of the Company shall not exceed the limit of Rs 700 Crores (Rupees Seven Hundred Crores).

Your Directors accordingly recommend creation of charge or mortgage on assets of the Company as set out in the resolution at Item No. 6 for approval of the members.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6 of the Notice.

**Item No. 8**

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Mr. Rahul Chomal as Independent Directors of the Company up to 5 (five) consecutive years, starting from his date of appointment. Mr. Rahul Chomal was appointed by the Board of directors in their meeting held on 14<sup>th</sup> August, 2014. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from members proposing the appointment of afore-said Independent Directors. A brief profile along with other details of the Independent Directors is as follows:

<b>Name of the Director</b>	Rahul Chomal
<b>Date of Birth</b>	20 <sup>TH</sup> OCTOBER, 1980
<b>Date of joining the Board of Director of the Company</b>	14.08.2014
<b>Educational qualification</b>	B.Com
<b>Number of Shares held in the Company</b>	NIL
<b>Directorship in other Companies and committees</b>	1) Continental Profiles Limited 2) Swastik Realcon Private Limited 3) Inland Steel Private Limited
<b>Specific Functional Areas</b>	Wide experience in trading of iron ore since about last 7years



The Board of Directors believes that the association of the aforementioned Independent Directors with the Company shall be beneficial to the progress of the Company and hence, the Board recommends the appointment of Mr. Rahul Chomal as Independent Director of the Company for the approval of the shareholders at the ensuing Annual General Meeting. In the opinion of the Board, the Independent Directors fulfill the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Directors are independent of the management. Further, Mr. Rahul Chomal, Independent Director has given a declaration to the Board of Directors to the effect that she meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. Mr. Rahul Chomal is deemed to be interested in this resolution.

Other Directors, their relatives, Key Managerial Personnel or their relatives are not concerned or interested in the proposed Ordinary Resolution as set out in Item Nos. 8 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

**Item No. 9,10 & 11**

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Shri Virendra Sharma, Shri Jiwraj Khaitan and Sital Kumar Banerjee as Independent Directors of the Company up to 5 (five) consecutive years starting from the commencement of the Companies Act 2013 and hence it is propose to appoint Shri Virendra Sharma, Shri Jiwraj Khaitan and Sital Kumar Banerjee up to 31<sup>st</sup> March, 2019. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from members proposing the appointment of aforesaid Independent Directors. Brief profiles along with other details of the Independent Directors are as follows:

<b>Name of the Director</b>	Shri Virendra Sharma
<b>Date of Birth</b>	31.12.1954
<b>Date of joining the Board of Director of the Company</b>	17.12.1996
<b>Educational qualification</b>	B.Com
<b>Number of Shares held in the Company</b>	Nil
<b>Directorship in other Companies and committees</b>	Nil
<b>Specific Functional Areas</b>	Aged about 60 years. He has wide experience in the field of finance, management and administration of the affairs of the Company,

<b>Name of the Director</b>	<b>Shri Jiwraj Khaitan</b>	<b>Shri Sital Kumar Banerjee</b>
<b>Date of Birth</b>	04.04.1938	21.04.1938
<b>Date of joining the Board of Director of the Company</b>	03.09.2011	03.09.2011
<b>Educational qualification</b>	Bachelor of Commerce	Bachelor of Chemical Engineering
<b>Number of Shares held in the Company</b>	Nil	Nil
<b>Directorship in other Companies and committees</b>	Nil	Nil
<b>Specific Functional Areas</b>	Aged about 76 years has over 42 years rich experience in the field of Import Export Management	Aged about 76 years has over 40 years of experience in Chemical Engineering and general Management & Administration.

The Board of Directors believe that the association of the aforementioned Independent Directors with the Company shall be beneficial to the progress of the Company and hence, the Board recommends the appointment of Shri Virendra Sharma, Shri Jiwraj Khaitan and Shri Sital Kumar Banerjee as Independent Directors of the Company for the approval of the shareholders at the ensuing Annual General Meeting. In the opinion of the Board, the Independent Directors fulfill the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Directors are independent of the management. Further, all the aforesaid Independent Directors have given a declaration to the Board of Directors to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. Independent Directors and their relatives do not hold any shares in the Company. Other than the Independent Directors of the Company and their relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolutions as set out in Item Nos. 8, 9 and 10 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

By order of the Board of Directors of  
**Frontline Corporation Limited**

Place : Ahmedabad  
Date : August 25, 2014

**Pawan K umar Agarwal**  
Managing Director