



**FRONTLINE
CORPORATION
LIMITED**

20th

CERTIFIED TO BE TRUE COPY
FOR FRONTLINE CORPORATION LTD.

A handwritten signature in black ink, appearing to be 'S. S. S.', is written over the printed name of the Company Secretary.

COMPANY SECRETARY

**Annual Report
2008-2009**



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



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**



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**

**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.



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.



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**



**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)



FORM - A

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

A. POWER AND CONSUMPTION

1. ELECTRICITY

a) Purchased	2008-2009	2007-2008
- 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)

1. Specific Areas in which R&D proposed to be carried out by the Company:

2. Benefits derived:

3. Future plan of action taken:

4. 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

1. 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.

a) Benefits: Benefits derived from these efforts include process rationalization. Product, quality improvement an environmental friendly product.

2. Particulars of Technology imported during last 5 Years:

(a) Technological import	:	N
(b) Year of Import	:	
(c) Has technology been fully absorbed	:	I
(d) If not absorbed, areas where this has not taken place, reasons thereof and future plans of action.	:	L

**Management Discussion and Analysis Report****Industry Structure, Developments, Opportunities, Threats, Risks and Concerns and Future Outlook:**

The Company is a diversified organization mainly into Transportation, Trading, Manufacturing, renting of immovable properties and generation of wind Energy.

Transportation and Logistics industry: The Rs 4,000 billion Indian logistics industry, growing at an average growth rate of 20% annually, is driven by robust economic growth, rising export and import, government infrastructure investment and logistics outsourcing. Logistics cost accounts for nearly 13% of GDP, higher than that in the US (10%), Europe (11%) and Japan (10%). Besides, logistics (transportation, warehousing, inventory management and value-added services like packaging) represent one of the highest production costs - transportation 35%, inventories 25% - making it imperative for companies to work with specialised solution providers to enhance competitiveness.

Industry characteristics

The Indian logistics sector is fragmented. Two-thirds of the total trucks are owned and operated by transporters with fleets smaller than five trucks. The result is intense competition, low freight rates and thin profitability. The logistics cost in India is still high compared with developed markets owing to a non-conducive policy environment, extensive industry fragmentation and infrastructure inadequacy. The sector employs (directly and indirectly) about 40 million people. The sector is seeing increased productivity through growing investments in GPS tracking, radio frequency identification, online analytics and new supply chain tools. The entry of global logistics players in India is helping local companies benchmark with global standards.

Road transportation: Railways has remained a dominant mode of transport in India over the past few decades, but recently roadways have gained a significant share (more than 60% - inland transportation), while railways has lost its market share due to many reasons:

Industry overview

Over the last two decades, economic globalisation, trade liberalisation and competition have enhanced transportation needs to the point that now competent logistics management - activities relating to the procurement, transport, transshipment and storage of goods - is not just an economic support, but also recognised as an economy driver.

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 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 Division:**Industry Structure, Developments, Opportunities, Threats, Risks and Concerns and Future Outlook:**

The Automotive Industry in India is one of the fastest growing industries in India. With the introduction of more and more models of new vehicles, the demand for automotive spare parts will continue to rise. However due to sudden slow down of the world economy and increased cost of oil and oil products, The Automotive Industry has been worst hit. Most of Companies worldwide either cut down their production or restructured their production planning. India has also been hit economically with the slow down. Till such time, these signal becomes clearer, your Company will trade on cautious path in the days to come.

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 good potential in future. However due to the effects of global recession post Lehman, growth in the next year is likely to be adversely affected. 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 42%.

Mahindra & Mahindra Division is acting as the Super Distributor for Auto Components & Farm Equipment manufactured by "Mahindra & Mahindra Ltd.," for the Automotive Aftermarket. We also act as distributors for M/s Tractors & Farm Equipments Ltd (TAFE) who are one of the leading manufacturers of tractors in India. With newer models of vehicles being introduced in the market every year, this business also has 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%. Due to stiff market condition.

Notwithstanding aforesaid optimistic scenario, there are concerns of a strong credit growth resulting in tightening of liquidity and increase in interest rate, hardening of crude prices, increased imports on account of oil and capital goods leading to current account deficit etc, which could act as impediments to rapid economic growth of India and turn out to be a dampener in short to medium term. Rise in interest rate is a negative for corporate profitability and credit demand.

Refractories Division

Industry Structure, Developments, Opportunities, Threats, Risks and Concerns and Future Outlook:

As reported earlier, the world economy after experiencing an unprecedented contraction in the second half of 2008 is expected to slowly recover during 2009-2010. The same holds for steel/glass Industry where the major sale of Refractories is made. During the source of recover there is all likely hood of a substantial shift in regional out of Steel & Glass Industry. Till such time, these signal becomes clearer, your Company will trade on cautious path.

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 35%.

Wind Energy Generation

The Wind power programme in India was initiated towards the end of the Sixth Plan, in 1983-84. A market-oriented strategy was adopted from inception, which has led to the successful commercial development of the technology. The broad based National programme includes wind resource assessment activities; research and development support; implementation of demonstration projects to create awareness and opening up of new sites; involvement of utilities and industry; development of infrastructure capability and capacity for manufacture, installation, operation and maintenance of wind electric generators; and policy support. The programme aims at catalyzing commercialisation of wind power generation in the country. The Wind Resources Assessment Programme is being implemented through the State Nodal Agencies, Field Research Unit of Indian Institute of Tropical Meteorology (IITM-FRU) and Center for Wind Energy Technology (C-WET).

Wind in India are influenced by the strong south-west summer monsoon, which starts in May-June, when cool, humid air moves towards the land and the weaker north-east winter monsoon, which starts in October, when cool, dry air moves towards the ocean. During the period March to August, the winds are uniformly strong over the whole Indian Peninsula, except the eastern peninsular coast. Wind speeds during the period November to March are relatively weak, though higher winds are available during a part of the period on the Tamil Nadu coastline.

A notable feature of the Indian programme has been the interest among private investors/developers in setting up of commercial wind power projects. The gross potential is 48,561 MW (source C-wet) and a total of about 10,242.3 MW of commercial projects have been established until March 31, 2009.

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

Immovable Properties:

Warehousing: Warehousing accounts for about 20% of the Indian logistics industry and occupies around 40 million sq. ft. The development of the modern retail sector, escalating growth in commodity markets and a paradigm shift in consumer preference from fresh to processed foods have necessitated storage expansion. SEZ development is another primary warehousing driver as modern warehouses have moved beyond traditional stocking and loading to other value-added services (packaging,



labelling, bundling and cross docking). The warehousing business, growing at 35-40% annually, is expected to become a US\$55 billion industry in three-four years with more than 50 million sq. ft in warehousing space and more than a hundred logistics parks.

Buoyant by the ever increasing growth in the land, rental of warehousing and IT sectors, your Company has also set up warehouses in the eastern region. Your Company has also invested in one office premise in Gandhinagar and let out the same on lease to TCS Limited.

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%.

However keeping in view of the slow down, your Company is cautiously moving in this segment.

Discussion on Financial performance

Transportation

During the year under review, 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%.

Trading

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%.

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.

Bricks Division

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%.

Wind Energy Generation:

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

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 54%.

Risk and Concerns:

Your Company is exposed to the normal industry risk factors of interests rate volatility, economic cycle and credit risk. The Company manages these risk by maintaining a conservative financial profile and by following prudent business and risk management practices.

Internal Control Systems and their adequacy:

Your Company is in place adequate systems of internal control and document procedures covering all financial and operating functions. Your Company has well defined roles, responsibilities and authorities at all levels. Your Company continuously improves various quality processes in line with customer expectations.

Your Company has already constituted the audit committee comprising of Independent Directors of the Company which reviews regularly the adequacy of internal control systems, audit plans, significant audit findings as well as compliance with Accounting Standards.

With these, ongoing initiatives, there are adequate internal control systems in the Company.

Human resource:

Industrial Relations at all levels remained cordial throughout the year. Your Company has created a friendly atmosphere that help retaining talented professional and nurturing their career growth alongwith the growth of the Organisation. Your Company is confident of reaping the best from its human assets in the years to come.

Cautionary Note:

Certain statements in this section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook.



REPORT ON CORPORATE GOVERNANCE

1. Company Philosophy on Code of Governance :

Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all shapes of its operations. Your Company is committed to achieve and maintain good standards of Corporate Governance. Your Company is fully compliant with all its provisions. The details of compliance are as follows:

2. Board of Directors:

Your Company's Board comprises of 1 Executive Director, 3 Non-executive directors and 2 independent directors. The details of the directors with regard to outside directorship position in audit committee or shareholders investor grievance committee as well as attendance at Board Meeting /Annual General Meeting are as follows:

(a) Composition of the Board (for the financial year 2008-2009):

Director	Executive/ Non-executive/ Independent	No. of shares held in the Company	No. of Board meetings attended	Attendance at the Last AGM	No. of outside Director- ship held	Total No. of Chairman ship of Committees across all companies	
						Member	Chairman
Shri Ram Prasad Agarwal	Chairman-cum- Non-Executive and Promoter Director	783622	5	Yes	5	-	-
Shri Narayan Prasad Agarwal	Non-Executive and Promoter Director	684700	5	Yes	5	-	-
Shri Pawan Kumar Agarwal	Managing Director Executive and Promoter Director	622266	16	Yes	4	-	-
Shri Saurabh Jhunjhunwala	Non-Executive Director	385440	5	Yes	1	3	-
Shri Virendra Sharma	Independent Director	300	19	Yes	-	3	-
Shri Bharat Arora	Independent Director	-	15	Yes	-	3	3

None of the Directors of the company is a member in more than 10 committees or chairman of more than 5 committees across all companies in which he is a Director.

(b) Non Executive Directors' compensation and disclosures:

The Chairman's office expenses incurred in performance of his duties are not reimbursed by the company.

(c) Other provisions of the Board:

Eleven Board Meetings were held during the financial year 2008-2009 as against the minimum requirement of 4 meetings.

The dates on which the meetings were held are given below:-

01.04.2008	26.05.2008	31.10.2008	31.01.2009
30.04.2008	31.07.2008	16.12.2008	21.02.2009
15.05.2008	02.09.2008	05.01.2009	

(d) Code of Conduct:

Code of Conduct for Board members and Senior Managers was approved at the Board Meeting held on 02.09.2008. It is placed on website of the Company. The Company had obtained confirmation for the compliance of Code of Conduct from all the Board Members and Senior Management personnel of the Company on an annual basis.



There is no system of training of Board Members and no mechanism for evaluating non-executing non-executive Board members by peer group in the Company.

A declaration by Managing Director affirming the compliance of Code of Conduct by Board members and Senior Management executives is also annexed separately in this Annual Report.

3. Board Committees:

• Audit Committee

a. Qualified & Independent Audit Committee:

The company constituted the Audit Committee in 22.03.2003. During the year, the terms of Reference were comprehensively reviewed and the Audit Committee has been mandated with the same Terms of Reference, fully conform to the requirements of Clause 49 of the Listing Agreement. The committee at present comprises of three non-executive independent directors. All the members have good financial knowledge. The composition of the Audit committee and the attendance of each director at these meetings are given below:-

#	Director	Category of Directorship	Chairman/ Member	No. of meetings held	No. of meetings attended
1	Shri Bharat Arora	Independent Director	Chairman	7	7
2	Shri Virendra Sharma	Independent Director	Member	-	7
3	Shri Saurabh Jhunjhunwala	Non- Executive Director	Member	-	7

Mr. S K Verma, Company Secretary, acts as the Secretary to the Committee. Representatives from the Statutory Auditors, Internal Auditors, attended the meeting of the Committee as invitees.

b. Meeting of Audit Committee

The Committee met seven times during the year 2008-2009 on 30.04.2008, 15.05.2008, 26.05.2008, 31.07.2008, 02.09.2008, 31.10. 2008 and 31.01.2009.

c. Powers of Audit Committee

The audit committee shall have following powers:

- to investigate any activity within its terms of reference.
- to seek information from any employee.
- to obtain outside legal or other professional advice.
- to secure attendance of outsiders with relevant expertise, if it considers necessary.

d. Role of Audit Committee

The role of the audit committee shall include the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the board, focusing primarily on;
 - § Any changes in accounting policies and practices.
 - § Major accounting entries based on exercise of judgment by management.
 - § Qualifications in draft audit report.



- § Significant adjustments arising out of audit.
- § The going concern assumption.
- § Compliance with accounting standards.
- § Compliance with stock exchange and legal requirements concerning financial statements
- § Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.
- iv. Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- v. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- vi. Discussion with internal auditors any significant findings and follow up there on.
- vii. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- viii. Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- ix. Reviewing the company's financial and risk management policies.
- x. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders, (in case of non payment of declared dividends) and creditors.

e. Review of information by Audit Committee

- i. Management Discussion and analysis of financial condition and result of operations
- ii. Statement of Significant related party transaction submitted by Management
- iii. Management Letters/Letters of Internal Control weakness issued by the Statutory Auditors
- iv. Internal Audit records relating to internal control weakness and
- v. The appointment removal and terms of remuneration of the Chief Internal Auditors shall be subject to review by the Audit Committee

The Audit Committee held discussions with the Statutory Auditors and Internal Auditors of the company concerning the financial reports of the company, internal control systems, and scope of audit and observations of the Statutory Auditors/Internal auditors. The Audit Committee also reviewed the quarterly, half-yearly and annual financial results of the company before submission to the Board, on the "Limited review" of the quarterly accounts, matters relating to compliance of Accounting Standards, their observations arising from the Internal/Annual Audit of the Company's accounts and other related matters.

No bonus shares and stock options are issued to any of the directors

• Remuneration Committee:

The Remuneration Committee was formed by the Board of Directors on 30th January, 2003 to ensure the recommendation of Remuneration of Executive Directors. During the year under review, the Committee met one time on 02.09.2009. The following are the members and their attendance at Committee Meetings:-

Sr. No.	Name of Directors	Status	Category of Directorship	No. of Meetings Held	No. of Meetings Attended
1	Shri Bharat Arora	Chairman	Independent Director	1	1
2	Shri Virendra Sharma	Member	Independent Director		1
3	Shri Saurabh Jhunjhunwala	Member	Non- Executive Director		1



The Company has appointed a Remuneration Committee. The re-appointment of the Managing Director without remuneration had been recommended by the committee and was subsequently approved by the Board. The Approval of the shareholders was obtained for appointment and payment of remuneration at the Annual General Meeting held on 30.09.2004 for Managing Director.

• **Shareholders'/ Investors' Grievance:**

The Shareholders'/ Investors' Grievance Committee was formed by the Board of Directors on 30th January, 2003 to ensure the effective redressal of the complaints of the investors. The Committee looks into issues relating to shareholders, including transfer/transmission of Shares, issue of duplicate share certificates, non-receipt of dividend, Annual Reports etc. The Committee meets to review status of investor grievances ratify share transfers, approve transmission of shares and issue duplicate share certificates from time to time. Besides, officers of the Company have been authorised to approve issue of share certificates, approve transfer/ transmission of shares/consolidation, sub-division, split of share certificates, etc. The Committee also recommends steps to be taken for further implementation in the quality and services to the investors.

During the year under review, the Committee met 7 times on 30.04.2008, 15.05.2008, 31.05.2008, 30.06.2008, 15.07.2008, 14.08.2008, 15.08.2008. The following are the members and their attendance at Committee Meetings:-

Sr. No.	Name of Directors	Status	Category of Directorship	No. of Meetings Held	No. of Meetings Attended
1	Shri Bharat Arora	Chairman	Independent Director	7	7
2	Shri Virendra Sharma	Member	Independent Director	7	7
3	Shri Saurabh Jhunjhunwala	Member	Non- Executive Director	7	3

The minutes of Shareholders Grievance Committee are discussed and taken note of by the Board of Directors. Shri S. K. Verma, Company Secretary of the Company has been designated as Compliance Officer. The particulars of Investors Grievance received and redressed during the financial year are furnished below:-

Particulars	Received	Redressed
1. Non-receipt of Share Certificates	NIL	NIL
2. Non-receipt of Dividend Warrants	NIL	NIL
3. Non-receipt of Balance Sheet	NIL	NIL
4. For Demat	NIL	NIL
5. Others	NIL	NIL

During the year, No complaint letter was received from the share holder. There was no pending complaint from the shareholders as on 31.3.2009. Delivery of equity shares of the Company by all investors/shareholders is now mandatory in the dematerialized form in all Stock Exchanges.

Subsidiary Companies

The company has no subsidiary company.

4. Other Disclosures:

a. Basis of related party transaction:

The Company places all the aforesaid details before the Audit Committee from time to time. A comprehensive list of related party transactions as required by the Accounting Standard (AS) 18 issued by the Institute of Chartered Accountants of India, forms part of Part E of Schedule 'W' to the Accounts in the Annual Report.

b. Disclosure of Accounting treatments:

The Company has followed all relevant Accounting Standards while preparing the financial Statements.



c. Board Disclosures - Risk Management:

The Company has developed comprehensive risk management policy and same is reviewed by the Audit Committee, which in turn, informs the Board about the risk assessment and minimization procedures. Since the risk control frame work is new to Indian Corporate Culture, it is being strengthened on continuous basis using the outside professional help.

d. Proceeds from public issues, right issues, preferential issues etc:

Not applicable, as no capital has been raised by the Company in last 5 Years.

e. Remuneration of Directors:

The Company has a system where all the directors or senior management of the Company are required to disclose all pecuniary relationship or transactions with the Company. No sitting fee was paid to any of the Non-Executive Directors of the Company during the financial year 2008-2009.

The Committee had waived the payment of remuneration to Mr. Pawan Kumar Agarwal, Managing Director of the Company with retrospective effect from his last re-appointment from 21.01.2005 on a request received from him who in view of the financial needs of the Company required for expansion/ diversification of business.

There is no material transaction with any Non-Executive as well as Independent Directors of the Company that requires a separate disclosure.

The Company publishes its criteria of making payments to non-executive directors, if any, in its annual report.

f. Management:

The Management Discussion and Analysis Report published and is prepared in accordance with the requirements laid out in Clause 49 of the Listing Agreement forms part of the Annual Report.

No material transaction has been entered into by the Company with the Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have a potential conflict with interests of the Company.

g. Shareholders:

The Company is regularly providing details of new Directors and Directors seeking reappointment in the Annual General Meeting Notice attached with the Annual Report.

The quarterly results are published in the news papers viz. Business Standard/ Western Times in English and Dainik Lipi in Bangla Newspapers.

The quarterly results are sent to concerned stock exchanges simultaneously so as to enable them to put them on their notice board/website.

The Company publishes half yearly Un- audited (Provisional) Results in the designated Newspapers. However the Company does not send Half Yearly Declaration of Financial Performance including summary of the significant events in the last six months to its members.

h. CEO/ CFO Certification:

The CEO certification of the financial statements and the cash flow statements for the year is enclosed separately at the end of the report.

i. Report on Corporate Governance:

A separate section on Corporate Governance forms part of the Annual Report, Certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in clause 49 of the listing agreement of the Stock Exchange in India forms part of this report.

j. The Company ensures compliance of various statutory requirements by all its divisions and obtains quarterly reports in the form of certificates from the head of the divisions. These certificates are placed before the Board on quarterly basis.



- k. The company is yet to establish a mechanism for whistle blower policy which is a non-mandatory requirement.
- l. All the statutory registers that are required to be maintained, particularly Register of Contracts in which Directors have interests, Register of Directors' Shareholdings, Register of Investments etc. are maintained and continuously updated.

Shareholders Information:

5. a. General Body Meetings:

Current AGM:

Date, time and venue : 30th September, 2009 at 10.00 a.m.
4, B. B. D. Bag (East), Room No. 5
Stephen House, 1st Floor,
Kolkata – 700 001

The location and time of the last three Annual General Meetings are as under:

AGM	Date	Time	Venue	No. of special resolutions approved
19	30.09.2008	10.00 a.m.	4, B. B. D. Bag (East), Room No. 5 Stephen House, 1st Floor, Kolkata – 700 001	2
18th	29.12.2007	10.00 a.m.	4, B. B. D. Bag (East), Room No. 5 Stephen House, 1st Floor, Kolkata – 700 001	
17th	30.12.2006	10.00 a.m.	4, B. B. D. Bag (East), Room No. 5 Stephen House, 1st Floor, Kolkata – 700 001	2

No Extra-ordinary General Meeting held after the last Annual general Meeting

In the last year none of the resolutions was required to be put through Postal Ballot

6. Financial Calendar for the Financial Year 2009-2010

Financial Year	:	1st April, 2008 to 31st March, 2009
First Quarter ended	:	30th June, 2009
Half year ended	:	30th September, 2009
AGM for the year 2007-08	:	30th September, 2009
Date of the Book Closure	:	Friday, 25th September, 2009 to Wednesday, 30th September, 2009 (both days inclusive)
Listing on Stock Exchange	:	The Calcutta Stock Exchange Association Limited Bombay Stock Exchange Limited The Ahmedabad Stock Exchange Limited
Stock Code	:	CSE: F 057 BSE : 532042 ASE : 17661/Frontlinenet

Demat ISIN Number for both NSDL and CDSL for the Company's Equity Shares is **INE092D01013**.



7. Means of Communication

The quarterly results are published in the news papers viz. Business Standard and Western Times in English and Dainik Lipi in Bangla Newspapers. The above Results are also posted at its website, www.frontlinecorporation.com

8. Market Price Data

The shares of the company traded on the Bombay Stock Exchange are as follows:

Month	High Price	Low Price	No. of Shares	No. of Trades	Total Turnover(Rs.)
April 2008	33.40	20.00	18151	90	505,933.00
May 2008	37.15	31.40	3271	24	113,759.00
June 2008	36.20	31.35	254	10	8,619.00
July 2008	35.00	26.45	5192	16	172,604.00
August 2008	25.50	18.40	10193	34	225,553.00
September 2008	26.30	24.00	840	5	20,228.00
October 2008	27.70	24.00	53	8	1,349.00
November 2008	29.10	26.45	5	5	135.00
December 2008	30.55	22.60	2704	23	73,680.00
February 2009	21.50	18.50	9	8	182.00
March 2009	18.10	18.10	4	4	72.00

(Source: BSE Website)

As informed by Ahmedabad Stock Exchange and Calcutta Stock Exchange the Shares of the Company were not traded at their Stock Exchange.

viii) Share price performance in comparison to broad-based indices such as BSE Sensex, NSE Nifty:-

The comparison between the share prices and BSE Sensex is given above.

9. Distribution of Shareholdings as on 31.03.2009

Range of Balance	Physical		NSDL		CDSL		Total				
From	To	Holders	Balance	Holders	Balance	Holders	Balance	Holders	%	Balance	%
1	500	130	52506	76	18054	69	9567	275	48.16	80127	1.60
501	1000	78	74300	26	23908	11	9030	115	20.14	107238	2.14
1001	2000	11	15900	10	15117	1	1100	22	3.85	32117	0.64
2001	3000	62	153800	16	40259	7	17893	85	14.89	211952	4.24
3001	4000	7	25400	3	10170	0	0	10	1.75	35570	0.71
4001	5000	11	52100	7	34600	1	4500	19	3.33	91200	1.82
5001	10000	5	45100	9	68100	1	7296	15	2.63	120496	2.41
10001	9999999	8	458222	21	3833078	1	30000	30	5.25	4321300	86.43
	Total	312	877328	168	4043286	91	79386	571	100.00	5000000	100.00



CATEGORIES OF SHAREHOLDERS (AS ON 31.03.2009)
STATEMENT SHOWING SHAREHOLDING PATTERN

Category of Shareholder	Number of Share holders	Total number of shares	Number of shares held in dematerialized	Total shareholding As a percentage of total number of shares	
Shareholding of Promoter:					
Individuals/ Hindu Undivided Family	31	3496668	3474162	69.93	69.93
Central Government/State Government(s)	0	0.00	0.00	0.00	0.00
Bodies Corporate	3	49300	9000	0.99	0.99
Sub-Total	34	3545968	3483162	70.92	70.92
Total Shareholding of Promoter and Promoter Group	34	3545968	3483162	70.92	70.92
Bodies Corporate	21	316369	294269	6.33	6.33
Individuals - i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	491	626141	201041	12.52	12.52
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	10	511522	90100	10.23	10.23
Any Other (specify)					
Sub-Total	522	1454032	585410	29.08	29.08
Total Public Shareholding	522	1454032	585410	29.08	29.08
TOTAL	556	5000000	4068572	100.00	100.00
GRAND TOTAL	556	5000000	4068572	100.00	100.00

10. Registrar and Share Transfer Agents

The company has appointed Pinnacle Shares Registry Pvt. Ltd. as its Registrar and Transfer Agents for physical and demat registry work. All the shareholders are requested to correspond directly with them at the following address on the matters relating to both transfers of shares as well as for demat of the shares of the company:

Pinnacle Shares Registry Private Ltd.
Unit: Frontline Corporation Limited
Near Asoka Mills, Naroda Road, Ahmedabad – 380 025

The transfers are normally processed within 20 days from the date of receipt, if the documents are complete in all respects.

11. Share Transfer system:

Share transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The power to approve transfer of securities has been delegated by the Board to the Shareholders/Investors Grievance and Share Transfer Committee, which meets once in a fortnight. Share transfer requests are processed within an average of 15 days from the date of receipt. Letters are sent to the share holders after transfer of shares in their names giving an option for dematerialization of shares of the physical shares. Physical shares are dematerialized and electronic credit is given to those shareholders, who opt for dematerialization and in respect of other shareholders, who have not opted dematerialization, share certificates are dispatched by the Registered Post.

**12. Dematerialization of shares & Liquidity:**

Consequent upon the compulsory demat of the Equity Shares of the Company as notified by SEBI, about 82.45 % of the Equity Capital of the Company has been dematerialized as on 31.03.2009 as follows:

Particulars	No. of Shares	% of Capital
National Securities Depository Ltd.	4043286	80.87
Central Depository Services (India) Ltd.	79386	1.59
Total Dematerialized	4122672	82.45
Physical	877328	17.55
Grand Total	5000000	100.00

The shares of the Company are listed in The Calcutta Stock Exchange, Bombay Stock Exchange and Ahmedabad Stock Exchange.

13. There is no GDRs/ ADRs/ warrants or any convertible instruments and hence there is no impact on equity.

14. Address for correspondence:

1. Registered Office : 4, B.B.D. Bag (East)
Stephen House,
Room No. 5, 1st Floor,
Kolkata – 700 001
2. Corporate Office : 4th Floor, Shalin Building
Near Nehru Bridge Corner,
Ashram Road,
Ahmedabad – 380 006

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchange(s), it is hereby declared that all the board members and senior management personnel of the Company have affirmed compliance with the Code of Conduct for the year ended 31.3.2009.

FRONTLINE CORPORATION LIMITED

Date: September 02, 2009
Place: Ahmedabad

PAWANKUMAR AGARWAL
MANAGING DIRECTOR



C.E.O. CERTIFICATION

The Managing Director, the CEO has certified to the Board that

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief.
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the auditors and the Audit Committee:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which they have become aware of the and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

FRONTLINE CORPORATION LIMITED

Date: September 02, 2009
Place: Ahmedabad

PAWANKUMAR AGARWAL
MANAGING DIRECTOR

CERTIFICATE

To,
The Members of
Frontline Corporation Limited

We have examined the compliance of conditions of Corporate Governance by M/s. Frontline Corporation Limited for the year ended 31st March, 2009 as stipulated in clause 49 of the Listing Agreement of the said with Stock Exchanges of India.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

The quarterly results published by the company for second, third and fourth quarter of the financial year 2008-09 was not subjected to limited review.

Subject to this, in our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders'/ Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Jain Kedia & Sharma
Chartered Accountants

Place: Ahmedabad
Date : 2nd September, 2009

(Ramesh Kedia)
Partner



**Auditor's Report to the Members of
Frontline Corporation Limited**

We have audited the attached Balance Sheet of **FRONTLINE CORPORATION LIMITED** as on **31st March 2009**, the Profit and Loss Account and also the Cash Flow Statement 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.

We conducted our audit in accordance with the 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.

In accordance with the provisions of Section 227 of the Companies Act 1956, we report that:

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 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.
2. Further to our comments in the annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) 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 those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us. The Report of Branch Auditors of Kolkata Division has been forwarded to us and has been appropriately dealt with;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns from the Kolkata Division;
 - (d) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of the written representations received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (f) 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.
 - i. In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2009;
 - ii. In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

**For Jain Kedia & Sharma
Chartered Accountants**

**Ramesh Kedia
Partner
Membership No.35997**

Ahmedabad, September 2, 2009



Annexure to Auditor's Report

(Referred to in paragraph 1 of our Report of even date to the members of FRONTLINE CORPORATION LIMITED)

- (i) In respect of Fixed Assets:
- (a) **The Company has not prepared Fixed Asset Register and instead has compiled only item wise lists of its Fixed Assets. However, these item wise lists have not been updated and the values shown by these lists have not been reconciled with the financial books and records.**
 - (b) **We are informed by the management that most of the Fixed Assets have been physically verified by the management during the year, however, no records have been produced for our verification in respect of the same. We are also informed that assets such as Furniture and Fixtures, and Office Equipments have not been physically verified by the management during the year.**
 - (c) During the year, the Company has not disposed off major part of the fixed assets hence the question of affecting the going concern status of the Company does not arise.
- (ii) In respect of Inventories:
- (a) Inventories of finished goods, stock in trade, raw materials and stores spares have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable and adequate in relation to the size of the company and the nature of business.
 - (b) The procedures of physical verification of inventories followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) According to the records produced for our verification, there were no material discrepancies noticed on physical verification of stocks referred to in Para (ii) (a) above as compared to book records and the same have been properly dealt with in the books of account. The shortages and excesses noticed on physical verification as mentioned in Para (ii) (a) above are not abnormal and material according to the nature of the business of the company.
- (iii) In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
- (a) The Company had taken loans from three parties. The maximum amount involved during the year was Rs.2,36,68,895/- and the year-end balance of loans taken from such parties was Rs.3,66,75,360/-. The Company has also granted an advance in the nature of loan to one party. The maximum amount outstanding during the year as well as the outstanding as on 31.3.2009 was Rs. 1,50,51,927/-.
 - (b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken / given from / to such parties are not, prima facie, prejudicial to the interest of the Company.
 - (c) In respect of loans taken by the Company, the principal amounts are repayable on demand and the interest payments are regular. In respect of loan given there is no stipulation as to the repayment and the interest is received regularly.
 - (d) Since there is no stipulation as to repayment on loan given, the question of overdue amounts does not arise.
- (iv) In respect of Internal Controls:
- In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure in correcting major weakness in internal controls systems. **However the company needs to strengthen internal controls over generation and disposal of scrap and accounting for fixed assets.**
- (v) In respect of transactions covered under section 301 of the Companies Act, 1956:
- (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies



Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time. **However according to the information and explanations given to us, in respect of the sales made to two parties aggregating to Rs. 3,85,63,032/- the company has not taken prior approval of the Central Government as required u/s 297 of the Companies Act, 1956.**

- (vi) During the year the company has not accepted the public deposit within the meaning of section 58A of The Indian Companies Act, 1956. **However the company has taken an interest free advances of Rs.16,75,00,000/-, shown under the head Deposits and Trade Advances in the Schedule 'D' Unsecured Loan, from a partnership firm against supply of material. No material has been supplied to the firm during the last two years.**
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the central government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) In respect of statutory dues:
- (a) **The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income tax, sales tax, wealth tax, customs duty, excise duty, service tax, cess and other material statutory dues applicable to it though there was a slight delay in case of service tax, professional tax and tax deducted at source.**
- (b) **According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty, service tax and cess were in arrears as at 31st March, 2009 for a period of more than six months from the date they become payable except for service tax and professional tax as under:**

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Due Dates	Date of Payment
Finance Act, 1994	Service tax	16478	April '08 – Sep '08	5th of next month	-
The Maharastra State Tax on Professionals, Trades, Callings and Employment Act, 1975	Professional tax	1020	April '08 – Sep '08	15th of next month	-

- (c) According to the information and explanations given to us, the dues of income tax and excise duty which have been disputed and the forum where dispute is pending are as under:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	5,02,600	A.Y. 2001-2002	ITAT
Income Tax Act, 1961	Income Tax	11,04,183	A.Y. 2003-2004	ITAT
Income Tax Act, 1961	Income Tax	7,72,658	A.Y. 2004-2005	ITAT
Income Tax Act, 1961	Income Tax	35,72,862	A.Y. 2005-2006	CIT(A)
Income Tax Act, 1961	Income Tax	32,98,187	A.Y. 2006-2007	CIT(A)
Central Excise Act, 1944	Excise Duty	60,000	F.Y. 2004-2005	CESTAT



As mentioned in note 7 to part B in Schedule "W" Notes to Accounts, the company has already paid the amount as advance tax which has been appropriated by the authorities towards pending tax demands except in case of Excise Duty amounting to Rs. 60,000/-.

- (x) The Company does not have accumulated losses and has not incurred cash losses in the current financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) During the year, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- (xiv) According to the information and explanations given by the management, the Company is not dealing in or trading in shares, securities, debentures and other investments. However, the Company is holding certain investments in equity shares of companies as long term investments.
- (xv) According to the information and explanation given to us, we are of the opinion that the terms and conditions of the guarantees given by the Company, during the year, for the loan taken by others from banks or financial institutions are, prima facie, not prejudicial to the interest of the Company.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets.
- (xviii) The Company has not made preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) During the financial year, the Company did not issue any debentures. Hence, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003, regarding creation of security for debentures are not presently applicable to the Company.
- (xx) The Company has not raised any money by way of public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Companies (Auditor's Report) Order, 2003, on the end use of money are not presently applicable to the Company.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our Audit.

**For Jain Kedia & Sharma
Chartered Accountants**

**Ramesh Kedia
Partner
Membership No.35997**

Ahmedabad, September 2, 2009



BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	SCHEDULE	AS AT 31/03/2009 Amount in Rs.	AS AT 31/03/2008 Amount in Rs.
SOURCES OF FUNDS :			
SHAREHOLDER'S FUNDS			
Share Capital	"A"	49,774,500	49,774,500
Reserves and Surplus	"B"	74,199,818	61,095,452
LOAN FUNDS :			
Secured Loans	"C"	270,859,816	178,627,677
Unsecured Loans	"D"	198,316,984	182,543,528
Deferred Tax Liabilities (Net)		20,898,461	21,984,808
TOTAL :		614,049,579	494,025,965
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	"E"	568,204,652	389,882,832
Less: Depreciation		150,402,217	110,148,503
Net Block		417,802,435	279,734,329
Capital Work In Progress		875,671	7,620,514
INVESTMENT	"F"	94,637,952	94,283,465
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	"G"	42,690,988	43,315,481
Sundry Debtors	"H"	76,858,493	61,257,154
Cash & Bank Balances	"I"	15,976,150	15,990,507
Loans and Advances	"J"	66,153,561	51,109,590
SUB TOTAL(A)		201,679,192	171,672,732
Less: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	"K"	100,452,801	59,030,347
Provisions		492,870	254,728
SUB TOTAL(B)		100,945,671	59,285,075
NET CURRENT ASSETS=A-B		100,733,521	112,387,657
TOTAL :		614,049,579	494,025,965

Notes Forming Part of Accounts
As Per our Report of Even Date

"W"
On Behalf of Board

For Jain Kedia & Sharma
Chartered Accountants

Narayanprasad Agarwal
Director

Ramesh Kedia
Partner
M.No. 35997

S.K.Verma
Company Secretary

Pawankumar Agarwal
Managing Director

Date: 02/09/2009
Place: Ahmedabad

Date: 02/09/2009
Place: Ahmedabad



FRONTLINE CORPORATION LIMITED

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2009

PARTICULARS	SCHEDULE	YEAR ENDED 31/03/2009 Amount in Rs.	YEAR ENDED 31/03/2008 Amount in Rs.
INCOME			
Revenue from Operations	"M"	645,749,315	427,502,530
Other Income	"N"	20,297,446	21,710,582
Increase/(decrease) in Finished Goods	"O"	(349,825)	315,402
		665,696,936	449,528,514
EXPENDITURE			
Material Cost	"P"	185,687,887	157,635,676
Operational Expense	"Q"	341,266,499	188,356,857
Payment to & Provision for Employees	"R"	21,895,479	16,051,317
Administrative & Other Charges	"S"	21,743,796	22,838,452
Financial Charges	"T"	33,579,642	38,183,523
Depreciation		40,501,574	25,419,719
		644,674,877	448,485,544
PROFIT BEFORE TAX & PRIOR PERIOD ITEMS		21,022,059	1,042,970
Provision for Current Taxes	"U"	7,562,376	(450,159)
Earlier Periods			
Income Tax		202,837	38,485
PROFIT AFTER TAX BUT BEFORE PRIOR PERIOD ADJUSTMENTS		13,256,846	1,454,644
Prior Period Adjustments	"V"	152,480	(32,792)
PROFIT FOR THE YEAR		13,104,366	1,487,436
Add: Brought Forward Profit		61,095,452	59,694,587
Profit Available For Appropriations		74,199,818	61,182,023
APPROPRIATIONS			
Amount appropriated towards defined benefit Obligation of Earlier Year		0	86,571
Balance Carried to Balance Sheet		74,199,818	61,095,452
		74,199,818	61,095,452
Basic/Dilluted Earning Per Share(Rs.)		2.63	0.30

Notes Forming Part of Accounts
As Per our Report of Even Date

"W"
On Behalf of Board

For Jain Kedia & Sharma
Chartered Accountants

Narayanprasad Agarwal
Director

Ramesh Kedia
Partner
M.No. 35997
Date: 02/09/2009
Place: Ahmedabad

S.K.Verma
Comapany Secretary

Pawankumar Agarwal
Managing Director

Date: 02/09/2009
Place: Ahmedabad



CASH FLOW STATEMENT FOR THE PERIOD FROM APRIL, 2008 TO MARCH, 2009.

Particulars	For the year ended	
	31st March, 2009	31st March, 2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	21022059	1042970
Adjusted for		
Depreciation	40272276	25405416
Interest Income	(2600850)	(2312425)
Interest Expenses	33579642	37920116
Provisions	201295	707100
(Profit) / Loss on sale of fixed assets	12527	(729847)
Foreign Exchange Fluctuation Gain	1642	0
Prior Period Adjustment of Defined Benefit Obligation	0	(131148)
	71466532	60859213
Operating Profit Before Working Capital Changes	92488591	61902183
Adjusted for		
Trade & Other Receivables	(29887010)	1849977
Stock in Hand	624493	(6315750)
Trade Payable, Other Current Liab. & Provision	41705822	17594298
	12443305	13128525
Cash Generated from Operations	104931896	75030708
Less:		
Direct Taxes Paid	8233888	(168466)
Cash Flow Before Extra-ordinary Items	96698008	75199173
Extra-ordinary Items:		
Prior period adjustments	152480	(32792)
Cash Flow from Operating Activities	96545528	75231965
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(171618037)	(65069691)
Disposal of Fixed Assets	9970	18536300
Movement in Loans & Advances	(1339123)	64954877
Interest Received	2600850	2312425
Investment made in Real Estate	(354487)	(93846715)
Net Cash from Investing Activities	(170700827)	(73112804)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	0	10000
Proceeds from Long Term Borrowing	102512374	39245493
Proceeds from Working Capital Limit	(2970995)	(174393626)
Repayment of Long Term Borrowing	(7309241)	(11728850)
Movement in Unsecured Loans	15551537	171890932
Interest Paid	(33579642)	(37920116)
Dividend & Corporate Dividend Tax Paid	(61449)	(832782)
Net Cash from Financing Activities	74142584	(13728949)
Net Cash Flows During the Year (A+B+C)	(12715)	(11609788)
Opening Balance of Cash and Cash Equivalents	15990507	27600295
Closing Balance of Cash and Cash Equivalents	15976150	15990507

**Notes:**

1. The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
2. Cash and Cash Equivalents at the end of the year consist of Cash, Cheques in hand and balances with banks.

	As at 31.03.2009	As at 31.03.2008
Cash in hand	5269063	10585280
Foregin Exchange Fluctuation Gain	1642	
Balances with banks:-		
- In Current Accounts	9667277	4367059
- In Fixed Deposits	1038168	1038168
	15976150	15990507

**Notes Forming Part of Accounts
As Per our Report of Even Date**

**For Jain Kedia & Sharma
Chartered Accountants**

**Ramesh Kedia
Partner
M.No. 35997**

Date: 02/09/2009
Place: Ahmedabad

**S.K.Verma
Comapany Secretary**

**"W"
On Behalf of Board**

**Narayanprasad Agarwal
Director**

**Pawankumar Agarwal
Managing Director**

Date: 02/09/2009
Place: Ahmedabad



SCHEDULE FORMING PART OF THE BALANCE SHEET

PARTICULARS	31.03.2009	31.03.2008
Schedule : 'A' : Share Capital		
Authorised Capital		
60,00,000 Equity Shares		
(P.Y. 60,00,000 Equity Shares) of Rs.10/-each	60,000,000	60,000,000
Issued & Subscribed		
50,00,000 Equity Shares		
(P.Y. 50,00,000 Equity Shares) of Rs.10/-each	50,000,000	50,000,000
(Including 563700 Fully Paid up Equity Shares of Rs.10/- each issued as Bonus Shares by way of Capitalization of Accumulated Profits)		
Less : Calls In Arrear	225,500	225,500
	49,774,500	49,774,500
Schedule : 'B' : Reserves & Surplus		
Opening Balance of Profit & Loss A/C	61,095,452	59,694,587
Add: Profit for the year	13,104,366	1,487,436
Less: Amount appropriated towards		
Defined benefit obligation for earlier period	0	86,571
	74,199,818	61,095,452
Schedule : 'C' : Secured Loans		
Term Loans from Banks	33,341,800	39,567,096
Term Loans -Others	103,100,170	1,671,739
Working Capital Facilities	134,417,846	137,388,842
	270,859,816	178,627,677
Term Loans from Bank are secured by mortgage of some of the buildings of the company and Hypothication of movable assests and some of the Vehicles of the company.		
Term Loans -others are secured by the Hypothecation of Specified vehicles Financed by the lenders to the company and also by personal guarantee of some of the Directors of the Company.		
Working Capital Facilities are secured by hypothycation of inventories and Book Debts, as well as mortgage of some of the property of the company, The Bank is also holding personal guarantee of some of the Directors of the company		
Schedule : 'D' : Unsecured Loans		
From Body Corporate	23,668,895	6,398,019
From Directors	275,000	275,000
Security Deposit and Trade advances	174,373,089	175,870,509
	198,316,984	182,543,528



Schedule 'E' : Fixed Assets

Sr No	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Particulars	As on 01/04/2008	Additions	Deletions/ Adjustments	As on 31/03/2009	As On 1/04/2008	ADJUSTED	For the Year	Deletions	As on 31/03/2009	As on 31/03/2009	As on 31/03/2008
(A)	<u>Intangible Asset</u>											
	Software	-	96,004.00	-	96,004	-		2,664.00	-	2,664.00	93,340	-
(B)	<u>Tangible Asset</u>											
I	LAND	55,345,940	21,667,795	-	77,013,735						77,013,735	55,345,940
II	BUILDING	53,444,003	91,074,389	370,459.00	144,147,933	4,782,292	1,096,709	2,341,152	29,624	8,190,529	135,957,404	48,661,710
III	LEASE HOLD BUILDING	90,018,791	-	90,018,791.00	-	1,096,709	-	-	-	1,096,709.00	-	88,922,082
IV	PLANT & MACHINERY AND EQUIPMENTS	113,626,964	25,214,029	1,470	138,839,523	52,825,706		7,545,367	200,058	60,171,015	78,668,508	60,801,258
VI	FURNITURE & FIXTURES	4,537,567	317,027	-	4,854,594	2,629,795		358,315	-	2,988,109	1,866,485	1,907,771
VII	VEHICLES	72,909,567	130,382,886	39,590	203,252,863	48,814,000		30,254,075	18,178	79,049,897	124,202,965	24,095,567
(A+B)	TOTAL	389,882,832	268,752,129	90,430,309	568,204,652	110,148,503	1,096,708	40,501,572	1,344,568	150,402,217	417,802,435	279,734,329
	GRAND TOTAL	389,882,832	268,752,129	90,430,309	568,204,652	110,148,503	1,096,708	40,501,572	1,344,568	150,402,217	417,802,435	279,734,329
	Previous Year	354,704,804	126,406,133	91,228,105	389,882,832	107,609,547	-	25,419,719	22,880,762	110,148,503	279,734,329	247,095,257



PARTICULARS	31.03.2009	31.03.2008
Schedule : 'F' : Investments		
Shares & Securities		
Non Trade Long Term (At Cost)		
A.Quoted Equity Shares (Fully Paid Up)	Face Value	Nos.
	Amount	Amount
50 (P.Y. 50) Share of Ginni Filament Pvt.Ltd.	10	50
	1,750	1,750
17400 (P.Y.17400)Shares of Green Ply Industries Ltd.	5	17400
	435,000	435,000
Long Term (Unquoted)		
600 (P.Y.600) Shares of Sonal Sil-Chem Ltd.	10	600
	0	0
	436,750	436,750
(Agreegate Market Value of Quoted Investments)	774,523	2,767,053
Investment in Immovable Properties(At Cost)	94,201,202	93846715
TOTAL	94,637,952	94,283,465
Note:The company is holding 600 Equity Shares of Rs.10 each of Sonal Sil-Chem Ltd which has been delisted and the amount has been fully written off the Books of Account.		
Schedule : 'G' : Inventories		
(As Valued & Certified By Management)		
Conusmable Stores & Tools	808,641	267,981
Stock in Trade	31,640,438	33,319,486
Finished Goods	3,689,300	4,607,619
Raw Materials	5,307,114	4,443,394
Work in Progress	1,245,495	677,001
	42,690,988	43,315,481
Schedule : 'H' : Sundry Debtors		
Unsecured Considered Good		
Debts Outstanding For a period		
Exceeding Six Months	14,030,318	4,040,621
Others	62,828,175	57,216,533
	76,858,493	61,257,154
Unsecured Considered Doubtful		
Outstanding For a period exceeding six month	5,098,872	930,216
Less: Provisions	942,872	930,216
Less: Provision for Claim	4,156,000	0
(Refer note no.2 of Part D of Schedule "W")	76,858,493	61,257,154
Schedule : 'I' : Cash & Bank Balances		
Cash on Hand	5,270,705	10,585,280
Balances with Scheduled Banks		
In Current Accounts	9,667,277	4,367,059
In Fix Deposit Account	1,038,168	1,038,168
	15,976,150	15,990,507



FRONTLINE CORPORATION LIMITED

PARTICULARS	31.03.2009	31.03.2008
Schedule : 'J' : Loans & Advances		
LOAN & ADVANCE		
Unsecured Considered Doubtful		
Doubtful Advance	40,000	2,516,274
Less: Provision	40,000	2,516,274
	0	0
Unsecured Considered Good		
Loans & Advances		
Recoverable in cash or in Kind or for value to be received	48,083,477	31,551,159
For Capital Expense	1,295,244	2,965,163
Deposits	1,698,637	1,137,537
Advance Income Tax (Net)	15,076,203	15,455,732
	66,153,561	51,109,590
	66,153,561	51,109,590
Schedule : 'K' : Current Liabilities		
Sundry Creditors	60,729,496	47,316,267
Advance from Customers	7,416,635	532,536
Temporary Overdraft from Banks	0	70,120
Other Liabilities	32,306,670	11,111,423
	100,452,801	59,030,347
Schedule : 'L' : Provisions		
Provisions for FBT (Net)	492,870	254,728
	492,870	254,728
SCHEDULE FORMING PART OF THE PROFIT & LOSS A/C.		
Schedule : 'M' : Revenue From Operations		
Sales	211615585	172174612
Transport Operations	378462082	204287244
Loading and Unloading Income	16222481	16493856
Rent Income on Let out Property	22344524	16550461
Wind Energy Generation Income	6461680	5669151
Other Operational Income	10642964	12327208
	645749316	427502531
Schedule : 'N' : Other Income		
Interest from Banks (Gross, T.D.S. Rs.218474/-, P.Y. Rs.134565/-)	83863	71673
Interest from Others	2516987	3883218
Provision No Longer Required Written Back	2691186	158206
Profit on Sale of Assets	385	2988558
Incentive From Supplier	10758635	13018440
Foreign Exchange Fluctuation	1642	(1750)
Bad debt written off	331628	133650
Miscellaneous Income	3913120	1458587
	20297445	21710582



FRONTLINE CORPORATION LIMITED

PARTICULARS	31.03.2009	31.03.2008
Schedule : 'O' : (Increase)/Decrease in Finished Goods		
Opening Stock of Finished Goods & W.I.P.	5284620	4,969,218
Closing stock of Finished Goods & W.I.P	4934795	5284620
Accretion/Decretion to Stock	(349825)	315402
Schedule : 'P' : Materials Cost		
Raw Materials Consumed		
Opening Stock	4443394	3715282
Add : Purchases	16828941	10741068
Less : Closing Stock	5307114	4443394
	15965221	10012956
Goods Traded In		
Opening Stock	33319486	27714018
Add : Purchases	167215954	152647042
Less : Closing Stock	31640438	33319486
	168895002	147041574
Consumable Stores & Tools		
Opening Stock	267981	601213
Add : Purchases	1368324	247915
Less : Closing Stock	808641	267981
	827664	581147
	185687887	157635676
Schedule: 'Q' : Operation Expenses		
Freight Payment	176265264	111167564
Trip Expense And Allowances	36910602	11279198
Diesel & Fuel Expense	78114791	34785218
Claims	7566173	2126568
Loading & Unloading Expense	4963805	4540948
Power	2052235	1591702
Repairs & Manintenance	24779152	13700829
Other Operational Expense	10614477	9164830
	341266499	188356857
Schedule: 'R' : Payment to & Provision for Employee		
Salary, Bonus & Allowances	18086061	13282286
Staff Walfare Expense	2612508	1568139
Employers Contribution to P.F., E.S.I.,etc.	1196910	1200892
	21895479	16051317
Schedule : 'S' : Administrative & Other Expenses		
Travelling & Conveyance Expense	2214871	2016959
Auditors Remuneration	445156	441012
Insurance Premium	3598904	2661952

**FRONTLINE CORPORATION LIMITED**

PARTICULARS	31.03.2009	31.03.2008
Rates & Taxes	692812	1289239
Rent	2338562	2859825
Loss on Sale of Fixed Assets	12912	2258711
Provision for doubtful debts and advances	201295	707100
Bad debt Written off	247442	224329
Penalty/Fines	30713	28400
Other Administrative Expense	11842406	9198486
Brokerage and Commission	118723	1152439
	21743796	22838452
Schedule : 'T' Financial Charges		
Interest on Term Loans	13673290	4995185
Bank Interest	16597324	23129504
Others	3309028	10058834
	33579642	38183523
Schedule:'U' Provision for Current Taxes		
Provision for Current Tax	8000000	1000000
Provision for Fringe Benefit Tax	648723	435000
Provision for Deferred Tax	(1086347)	(1885159)
	7562376	(450159)
Schedule:'V' Prior Period Item		
Prior Priod Expense		
Repair & Manintenance	110831	64728
Loading and unloading expense	203420	0
Salary	36999	32930
Others	57103	95139
Total(A)	408353	192797
Less: Prior Period Incom		
Prior Period Depreciation Added Back	227765	14303
Insuarance Claim	0	90000
Freight Income	17100	87170
Others	11008	34116
Total(B)	255873	225589
Net(A-B)	152480	(32792)



SCHEDULE "W"

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**A. ACCOUNTING POLICIES****1 Basis of Accounting:**

The company follows accrual method of accounting and financial statements are prepared on historical cost convention as a going concern in accordance with requirements of Companies Act, 1956 and generally accepted accounting principles and practices in India.

2 Use of Estimate:

The preparation of Financial Statements requires management to make assumptions that may affect reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of financial and the reported amounts of revenues and expense. Actual results could differ from those estimates. Any revisions to accounting estimates are recognized prospectively in current and future projects.

3 Inventory Valuation:**(a) Trading Activities:**

Inventories are valued at cost or net realizable value whichever is lower. Cost of materials is ascertained on FIFO method.

(b) Manufacturing Activities:

Inventories are valued as per the following method:

Items	Method Of Valuation
Raw Material, Stores and Spares	Lower of the cost and net realisable value. Cost is determined based on the FIFO method. However aforesaid items are not valued below cost if finished products in which they are incorporated are expected to be sold at or above cost.
Work – in – Progress	Lower of the cost (ascertained on FIFO basis up to the stage of completion) and net realisable value.
Finished Goods	Lower of the cost and net realisable value including excise duty. Production overheads are allocated on absorption costing method

4 Depreciation:

Depreciation is provided on straight line method at the rates provided in Schedule XIV of the Companies Act, 1956 in accordance with the provisions of Section 205 (2) (b) of the Companies Act, 1956. In respect of Assets costing less than Rs. 5,000/- the rate of depreciation is taken as 100%. Depreciation is computed pro-rata with reference to the number of months of use during the year.

5 Intangible Asset:

Intangible assets including Export benefits under duty exemption passbook are recognised only if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

The intangible assets are recorded at cost and amortized on straight line basis over the estimated useful lives as follows:

Intangible Asset	Estimated Useful Life (Years)
Soft wares	3 years

6 Loose Tools:

Loose Tools are being written off over a period of 5 years in equal Amounts.. Damaged or unserviceable tools are charged to revenue in the same year.

7. Revenue Recognition:

Revenue is recognized on accrual basis if there is reasonable certainty of its ultimate realization/collection.

(a) In respect of transportation operations, revenue is recognised at the point of despatch to customers. Revenue in respect of contractual transport business is recognised in proportion to the value of work completed.

(b) In respect of Wind Energy Generation, revenue is recognised on the basis of units generated and billed. Unbilled units are allocated on pro-rata basis based on Billing Cycle.

(c) In Manufacturing Division value of sales are exclusive of Excise Duty.

**8 Fixed Assets:**

- (a) Fixed asset are stated at cost of acquisition or construction (net of Cenvat credits) less depreciation and impairment losses, if any. All costs relating to the acquisition and installation of fixed assets are capitalised.
- (b) Costs including expenses incurred on asset which are not ready for use in the financial year are accounted as Capital work in progress until the asset is ready for use.

9 Foreign Currency Transactions:

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of transaction. Foreign Currency Assets and Liabilities are stated at the exchange rates prevailing at the date of balance sheet. Realised gains or losses on foreign exchange transaction are recognised in the profit and loss account.

10 Investments:

Current Investments are carried at lower of cost and quoted / fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

11 Accounting for employee benefits:

- (a) Short Term Benefits
Short term employee benefits are recognized as an expense at the undiscounted amount in profit & Loss Account of the year in which related service is rendered.
- (b) Defined Contribution Plan
As per applicable laws the eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and company make monthly contribution at specified percentage of the covered employee salary. The contributions as specified under the law are paid to the respective provident fund authorities as specified by law as per the scheme framed under the governing laws.
- (c) Defined Benefit Plan
The company has not formulated any specific terms of employment providing for specific requirement benefits. However as per applicable laws, the company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees at retirement, death/disablement while in employment or termination of employment, of an amount equivalent to 15 days salary with reference to the number of completed year of service and last drawn salary. The Company has taken a Group Gratuity Scheme with Life Insurance Corporation of India covering all eligible employees. The liability in respect of Gratuity is recognised in accordance with Project Unit Credit Method.

12 Borrowing Cost:

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as a part of the cost of such asset. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All others borrowing cost are charged to revenue. There was no such case necessitating capitalisation of borrowing costs during the year.

13 Taxes on Income:

- (a) Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting incomes that originate in one period and is capable of reversal in one or more subsequent periods.
- (b) Deferred tax is measured based on the tax rate and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against such deferred tax assets can be realised.
- (c) Consequent to the introduction of Fringe Benefit Tax (FBT) effective from 1/4/2005, the company provides for the disclosure of FBT as a part of taxes in accordance with the provision of section 115WC of the Income Tax Act, 1961 and the guidance note issued by Institute of Chartered Accountants of India (ICAI).

14 Impairment of Assets:

An Asset is treated as impaired when carrying cost of assets exceeds its recoverable value. An impairment loss is charged for when the asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**15 Provision, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

16 Inter-divisional Transfers:

Inter-divisional transfers of goods for internal use as captive consumption are shown as contra items in the Profit & Loss Account to reflect the true economic value of the production inter-se the divisions. This accounting treatment has no impact on the profit of the Company.

B. NOTES TO ACCOUNTS

1. Previous year's figures have been re-grouped and rearranged wherever necessary.
2. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business except doubtful debts & advances. All known and ascertainable liabilities have been accounted for in full, in the books of accounts except those stated otherwise. All material accounts in respect of debtors, creditors, loans and advances etc. have been confirmed directly or indirectly. However, in some cases confirmations are pending but the amounts thereof are not material and consequent adjustments, if any required, will be carried out as and when such confirmations are received.
3. The Company has requested its suppliers for furnishing information about their SSI status. Prima-facie, there is no outstanding dues to any SSI Unit. However, authentic information about such dues can be furnished only upon receipt of information from respective SSI Units, if any.
4. Payment to Auditors:

PARTICULAR	Year ended 31/03/2009	Year ended 31/03/2008
a) Audit Fees	1,73,346	1,73,346
b) Taxation matters	35,306	35,306
c) Management Consultancy	80,000	80,000
d) Company Law Matters	50,000	50,000
e) Professional Fees	20,000	20,000
f) Service Tax	34,608	34,608

5. The management is rigorously pursuing the recovery against doubtful debts and advances and is hopeful of recovery. Provision is made to the extent considered necessary in accordance with the principal of prudence and conservatism.
6. Fixed Deposits of Rs. 10,38,168/- are pledged with bank for various facilities.
7. Advances Recoverable in cash or in kind under the head Current Assets includes Rs.92,50,310/- (P.Y.Rs. 24,39,441) being advance tax refundable under Income Tax Act,1961 in respect of various years withheld by authorities in respect of disputed tax demands for which appeals are pending before various authorities. The company is confident of favourable disposal of the same and hence no provision is considered necessary in respect thereof.

C. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3 AND 4 OF PART-II OF SCHEDULE VI TO THE COMPANIES ACT 1956 (AS AMENDED)

- 1 None of the Employees of the Company was in receipt of Salary exceeding Rs.200000/- per month (Previous Year Rs. 200000/-) for either part or full year.
- 2 Quantitative information of Licensed and Installed capacity, production, purchases, Raw Material Consumed and sales and stock of each class of goods manufactured / traded:



(a) Licensed and Installed Capacities (per annum) and Production

Refractory Bricks	2008-09 M.T.	2007-08 M.T.
Licensed Capacity *	N.A.	N.A.
Installed Capacity	4800.00	4800.00
Production	3241.94	2404.23

*Licensed Capacity is Not Applicable & Installed Capacity is as certified by the Management & being a technical Matter, accepted by the Auditor as correct.

(b) Stock and Turnover:

	2008-09		2007-08	
Refractory Bricks	MT	Rs. In Lacs	MT	Rs. In Lacs
Opening Stock	472.02	40.18	493.93	38.91
Closing Stock	325.84	33.31	472.02	40.18
Turnover	3388.12	379.95	2160.91	252.05

(c) Raw Material Consumed :

Raw Materials	Opening Stock		Purchase		Consumed		Closing Stock	
	Tons	Rs. In Lacs	Tons	Rs. In Lacs	Tons	Rs. in Lacs	Tons	Rs. In Lacs
Grog	713.802	22.30	1006.226	30.54	1384.43	40.51	329.598	12.33
	(371.305)	(7.97)	(1208.443)	(29.83)	(865.946)	(15.50)	(713.802)	(22.30)
Bauxite	67.763	5.17	722.985	66.85	703.744	61.70	87.004	10.33
	(111.118)	(5.95)	(227.07)	(15.32)	(270.425)	(16.09)	(67.763)	(5.17)
Clay	133.031	1.11	1186.98	10.19	1141.798	9.24	178.213	2.05
	(124.336)	(1.70)	(931.325)	(11.22)	(922.63)	(11.81)	(133.031)	(1.11)
Dyspore	12.755	1.26	216.31	26.20	154.632	16.16	74.433	11.29
	(16.265)	(1.32)	(138.45)	(11.41)	(141.96)	(11.48)	(12.755)	(1.26)
Pyrophyllite	118.785	2.82	307.69	8.66	309.959	8.61	116.516	2.87
	(56.71)	(1.52)	(508.695)	(10.47)	(446.62)	(9.17)	(118.785)	(2.82)
Others	223.13	11.77	288.614	25.86	276.257	23.43	235.487	14.20
	(183.435)	(18.69)	(39.989)	(29.16)	(247.359)	(36.08)	(223.13)	(11.77)
Total	1269.266	44.43	4181.929	168.29	3970.82	159.65	1021.251	53.07
	(863.169)	(37.15)	(3301.037)	(107.41)	(2894.94)	(100.13)	(1269.266)	(44.43)

Note: Figures in bracket related to previous year



FRONTLINE CORPORATION LIMITED

(d) Value of Imported and Indigenous Raw Materials and Stores and Spares Consumed

2008-09				2007-08		
	Rs. In Lacs Raw Materials	Rs. In Lacs Stores, Spares	%to	Rs. In Lacs Raw Materials	Rs. In Lacs Stores, Spares	%to
Imported	NIL	NIL		NIL	NIL	
Indigenous	159.65	8.27	100%	100.13	5.81	100%

(e) : Traded Goods

Description	Units	Opening Stock		Purchase		Sale **		Closing Stock	
		Qty	Value	Qty	Value	Qty	Value	Qty	Value
Automobile Components	Pcs	284653 (241072)	33123181.5 (27537032)	824048 (869954)	162528794.65 (143379365)	879893 (825262)	172310984.89 (137100719)	228808 (284653)	31036676.53 (33123181.5)
Lubricants	Ltr.	1829 (2037)	196303.5 (178986.3)	36126 (30361)	3354807.07 (2926778.03)	37080 (30569)	3813382.37 (2832526)	875 (1829)	99506.77 (196303.5)
Coking Coal	M.T.	Nil (Nil)	Nil (Nil)	305.74 (Nil)	6457576.16 (Nil)	305.74 (Nil)	8402399.98 (Nil)	NIL NIL	NIL NIL

Note: Figures in bracket related to previous year

3. Details about units generated and sold in respect of wind machines

Year	Units Generated (KWH)	Value in Rs. (Including Unbilled Units)	Units sold (KWH)	Value in Rs.
2008-09	2380350	64,61,650	2380350	64,61,650
2007-08	2163035	56,69,150	2163035	56,69,150

Note: The above units include 22146(Value Rs.59795/-) unbilled units for the year 2008-09 and 67936 (Value Rs. (1,85,594) for the year 2007-08

4. Expenditure in Foreign Currency

Particulars	2008-09	2007-08
Foreign Travelling	9000	7248

D. Additional Disclosures as required under applicable Accounting Standards (to the extent applicable)

1 Contingent liabilities not provided for:

Particulars	2008-09	2007-08
Bank Guarantees Issued	84,13,30,000	84,53,30,000
Claims against the Company not acknowledged as debts (including MACT claims aggregating to Rs.3,49,00,258/- for which the Company holds adequate Insurance)	4,01,51,518	4,01,51,518
Disputed Direct and Indirect Taxes for which appeals are pending at different forums	93,10,310	24,39,441
TOTAL CONTINGENT LIABILITY	89,07,92,008	88,12,45,959

2 Provisions for Claims :

Nature of Liability	Provisions as on 01.04.2008	Additions	Amount	Reversal, if any during	Provision on 31.03.2009
Claims	Nil	41,56,000	Nil	Nil	41,56,000
Total	Nil	41,56,000	Nil	Nil	41,56,000

Note : Provisions for claims are made based on deductions made for thefts and shortages by various clients. The Final Amounts of deductions will be settled only after completion of counterclaims and other legal proceedings. However, based on the information available with company and past empirical experience, necessary provision has been made as per the best judgement.



3 Earning Per Share (EPS) Basic and Diluted

Particulars	For the year ending	
	March 31, 2009	March 31, 2008
Profit after tax (Amount Rs.)	1,31,04,366	14,87,391
Weighted Average Number of Equity shares outstanding	49,77,450	49,77,450
EPS (Rupees)	2.63	0.30

4 Deferred Tax

	Year Ended	
	31/03/09	31/03/08
(A) The movement in deferred tax account is as follows:		
Opening Balance	21,984,808	23,914,544
Provision for current year deferred tax liability(net)	(1,086,347)	(1,929,736)
Closing balance of deferred tax liability	20,898,461	21,984,808
(B) Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws the following amounts are shown in the balance sheet		
Deferred Tax Liabilities	22,971,686	22,596,614
Deferred Tax Assets	(2,073,225)	611,806
	20,898,461	21,984,808

	Opening	Charged/Credited To P&L	Closing
Deferred Tax Liabilities			
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	22,596,614	375,072	22,971,686
TOTAL (A)	22,59,614	375,072	22,971,686
Deferred Tax Assets			
Tax impact of expenses charged in the financial statements but allowable in future years under income tax			
Capital Loss	5,812	(5,812)	NIL
Bonus Payable	245,776	199,495	445,271
Disallowance of Exp. due to late payment of TDS	NIL	1,324,247	1,324,247
Provision. Doubtful Advances	28,204	(15,844)	12,360
Provision Doubtful Debts	287,437	3,910	291,347
Defined Benefit Obligation as per AS-15	44,577	(44,577)	NIL
TOTAL (B)	611,806	1,461,419	2,073,225
Net Deferred Tax Liability (A-B)	21,984,808	(1,086,347)	20,898,461

**5 Related Party disclosures under Accounting Standard 18**

- 1 Party where control exists Nil
- 2 Other related parties with whom transactions have taken place during the year

Joint Venture Company Nil

Associates

Fairdeal Supplies Limited
Falgun Export Pvt. Limited
Centre for Advanced studies in Engineering
Nova Impex Private Limited
Fair Chemical & Marketing
Prima Financial Services Ltd.
Fair deal (partnership firm)
Deepak Road Carriers(Proprietorship Concern)
Kajal Trading Limited
Neha Trades & Finance Pvt. Ltd.
Falgun Financial Services Limited
Frontline Industries Limited
Jhunjhunwala Charitable Trust
Scientific Weigh Bridge
Shiv Shakti Steel Pvt. Ltd.

3 Key Management Personnel & their relatives:

Pawankumar Agrawal
Narayanprasad Agrawal
Saurabh Jhunjhunwala
Ramprasad Agrawal
Baijnath Agrawal & Sons H.U.F.
Bhagwani Devi Agrawal
Gaurav Jhunjhunwala
Hansa Agrawal
Shraddha Jhunjhunwala
Raja Jhunjhunwala
Mukund Jhunjhunwala
Narayanprasad Agrawal & sons H.U.F.
Ramprasad Agrawal & sons H.U.F.
Renudevi Jhunjhunwala
Rewadevi Jhunjhunwala
Shilpi Jhunjhunwala



Sr. No.	Nature of transactions with related parties	Associates / Joint Venture	
		2008-09	2007-08
1	<u>Interest on Loan</u>	1424156	12640878
	Shiv Shakti Steel Pvt. Ltd	973282	Nil
	Fairdeal Supplies Ltd.	337565	11866500
	Others	113309	774378
2	<u>Purchase of Goods</u>	6556791	188789
	Fairdeal Supplies Ltd	6556791	188789
3	<u>Sale of Goods</u>	33170648	7508122
	Fairdeal Supplies Ltd	2546574	7508122
	M/S Fairdeal	30624074	Nil
4	<u>Sale of Tipper</u>	Nil	3900000
5	<u>Transportation Income</u>	77775377	3302764
	Fairdeal Supplies Ltd	52152253	33,02,764
	Falgun Export Pvt. Ltd.	25623124	Nil
6	<u>Sale of Internet Service</u>	1625651	18,28,148
	Centre of Advanced Studies in Engineering	1625651	18,28,148
7	<u>Rent Income</u>	61180	60000
	Fairdeal Supplies Ltd	61180	60000
8	<u>Rent Expense</u>	66000	66000
	Fairdeal Supplies Ltd	66000	66000
9	<u>Bar loader Income</u>	1404947	Nil
	Fairdeal Supplies Ltd	1404947	Nil
9	<u>Weigh Bridge Income</u>	790043	Nil
	Fairdeal Supplies Ltd	790043	Nil
10	<u>Income from Excavator</u>	1215842	Nil
	Fairdeal Supplies Ltd	1215842	Nil
11	<u>Outstanding as at year end</u>		
	<u>Net payable</u>		
	<u>Unsecured Loan</u>		
	Fairdeal Supplies Ltd	2917199	1845582.5
	Shiv Shakti Steel Pvt. Ltd	19402736	Nil
	Prime Financial Services Ltd.	1348960	1258993
	<u>Advance from Customer</u>		
	Fairdeal Supplies Ltd	6525450	221918
	Falgun Export Pvt. Ltd.	334386	Nil
	<u>Advance Recoverable in Cash or Kind</u>		
	Fairdeal Supplies Ltd	258364	Nil



5. Disclosure required as per AS-15

#	Particulars	2008-09	2007-08
1	Reconciliation of opening and closing balance of the defined benefit obligation		
	Present value of obligations as at beginning of year	1010150	727589
	Interest cost	80812	54569
	Current Service Cost	216357	216357
	Benefits paid	152938	76148
	Actuarial (gain)/loss on obligations	109717	87783
	Present Value of Obligation as at end of Year	1264098	1010150
2	Reconciliation of opening and closing balances of the fair value of plan asset		
	Fair value of plan assets at beginning of year	826528	596441
	Expected return on plan assets	67031	50515
	Contributions	551921	255720
	Benefits paid	152938	76148
	Actuarial Gain/(Loss) on Plan assets	NIL	NIL
	Fair value of plan assets at the end of year	1292542	826528
3	Table showing fair value of plan assets		
	Fair value of plan assets at beginning of year	826528	596441
	Actual return of plan assets	67031	50515
	Contributions	551921	255720
	Benefits paid	152938	76148
	Fair value of plan assets at the end of year	1292542	826528
	Funded status	28444	(183622)
	Excess of Actual over estimated return on plan assets		
	Actual rate of return = Estimated rate of return as ARD falls on 31st March)	NIL	NIL
4	Actuarial Gain/Loss recognized		
	Actuarial gain/(loss) for the year –Obligation	109717	(87783)
	Actuarial (gain)/Loss for the year – plan assets	NIL	NIL
	Total (gain)/Loss for the year – plan assets	109717	87783
	Actuarial (gain)/Loss recognized in the year	109717	87783
5	Amounts to be recognized in the balance sheet		
	Present value of obligations as at the end of year	1264098	1010150
	Fair value of plan assets as at the end of the year	1292542	826528
	Funded status	28444	(183622)
	Net Asset/(liability) recognized in balance sheet	28444	(183622)
6	Expenses Recognized in statement of profit & loss		
	Current Service cost	216357	216357
	Interest cost	80812	54569
	Expected return of plan assets	67031	50515
	Net actuarial (gain)/Loss recognized in the year	109717	87783
	Expenses recognized in statement of profit & loss	339855	308194
	Assumptions		
	Discount Rate	8 %	8 %
	Salary Escalation	7 %	7 %



D. Segment Information :
BUSINESS SEGMENT

Particulars	Wind Energy Rs.	Trading Rs.	Manufacturing Rs.	Transportation Rs.	Renting of Immovable Properties Rs.	Others Rs.	Total Rs.
Revenue							
External Sales :							
Domestic Sales	6461680 5669151	189082251 162728280	37999469 23997430	378504722 204075260	22344524 16378849	31245748 35954708	665638394 448803677
Export Sales	-	-	-	-	-	-	0
Total External Sales	6461680 5669151	189082251 162728280	37999469 23997430	378504722 204075260	22344524 16378849	31245748 35954708	665638394 448803677
Add: Inter Segment Sales	-	-	-	-	-	-	0
Total Segment Sales/ Revenue	6461680 5669151	189082251 162728280	37999469 23997430	378504722 204075260	22344524 16378849	31245748 35954708	665638394 448803677
Segment result before interest, exceptional/ extraordinary items & tax	651561 (2189944)	10858487 9648854	4927473 (321812)	22914709 31840029	19641216 14138107	(4952591) (14067053)	54040855 39048181
Add: Unallocated Income Net of Unallocable Exp.							408367 8059474
Less : Interest	81507 221545	9224243 6224791	3484798 2799050	11423899 1634740	4658452 0	4706744 27125086	33579642 38005212
Profit Before Exceptional/ Extra Ordinary items & tax	382211 (2411189)	1765461 3424062	1441056 (3120862)	11694307 30205289	14982764 14138107	(9243739) (41192138)	21022060 1042969
Prior Period Adjustment	187843 0	(131217) 0	1619 0	(203496) 93815	0 (95139)	(7229) 34116	(152481) 32793
Profit Before taxes	570054 (2411129)	1634244 3424062	1442675 (3120862)	11490811 30505289	14982764 14138107	(9250968) (41192138)	20869579 1075761
Taxes							7765213 (411764)
Profit After Taxes							13104366 1487435
Total Assets							
Segment Assets	62205203 44662089	74565966 77992652	35299434 28036069	160093579 168588770	201085952 225992500	46335219 7784232	579585354 553036312
Unallocable Asset at HO							135409896 223522721
Total							714995249 776559033
Total Liabilities							
Segment Liabilities	33555848 19259393	10561013 20615520	5911707 3799450	118691272 11138459	32115604 39059354	254775592 36695561	455611035 130567737
Unallocable Liability at HO							135409896 3452719
Total							591020931 134020456
Total Cost Incurred during the year to acquire segment assets	22905400 21800000	229306 512110	887893 2123914	131732638 1114357	21673795 89196200	1049598 0	178478630 114746581
Total Cost Incurred during the year to acquire unallocable Asset							254709 108045
Segment Depreciation	5023283 5464318	227060 182953	253597 211167	8405013 8804271	2188960 1818362	24364320 8931834	40462232 25412905
Segment Depreciation							



FRONTLINE CORPORATION LIMITED

(Unallocable Asset)							39342 6304
Non-cash expenses other than depreciation	0 440642	400 27494	0	200895 238964	0	0	201295 707100

Notes :

- 1) The Figures in Italics indicate Previous Years Figure.
- 2) The company has disclosed business segments as the primary segments which have been identified taking into account the nature of the activities (i.e. Wind Energy, Trading,Manufacturing & Transportation ,Renting of immovable property) the differing risk & returns the organisational structure and internal reporting system. The Company's operation predominantly relate to Bulk Transportation of Goods & Trading of Automotive Parts.
- 3) The company's business relates totally to the domestic market.
- 4) Segment revenue, segment results, segment assets, and segment liabilities include the respective amount identifiable to each of the segment.

Geographical Segments

Particulars	Calcutta Division	Ahmedabad Division	Banglore Division
Revenue			
External Sales:			
Domestic Sales/Income	169801696 102509107	420401108 274258427	75435589 72036143
Export Sales	0 0	0 0	0 0
Total Sales/Income	169801696 102509107	420401108 274258427	75435589 72036143
Add: Inter Segment Sales	0 0	0 0	0 0
Total Sales	169801696 102509107	420401108 274258427	75435589 72036143
Less: Inter Segment Sales	0 0	0 0	0 0
Total Revenue	169801696 102509107	420401108 274258427	75435589 72036143
Total Assets Segment Assets	251003568 230797636	449302006 301901227	14196806 20357449
Unallocable Asset			
Total Cost Incurred during the year to acquire segment assets	2603907 697158	176039791 114010159	89641 147309

Notes :

- 1) The Figures in Italics indicate Previous Years Figure.
- 2) The company has disclosed business segments as the primary segments which have been identified taking into account the nature of the activities (i.e. Wind Energy, Trading & Transportation,Renting of Immovable property) the differing risk & returns the organisational structure and internal reporting System.The Company's operation predominantly relate to Bulk Transportation of Goods & Trading in Automotive Parts.
- 3) Segment revenue, segment results, segment assets, and segment liabilities include the respective amount identifiable to each of the segment.

For Jain Kedia & Sharma
Chartered Accountants

Narayanprasad Agarwal
Director

S.K.Verma
Company Secretary

Ramesh Kedia
Partner
M.No.35997
Date:02/09/2009
Place:Ahmedabad

Pawankumar Agarwal
Managing Director
Date:02/09/2009
Place:Ahmedabad



FRONTLINE CORPORATION LIMITED

Statement pursuant to part IV of schedule VI to the Companies Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

0099645

State Code 21

Balance Sheet Date

31 03 09

Date Month Year

II Capital raised during the year

Amount in Rupees

Public Issue

Public Right Issue

NIL

NIL

Bonus Issue

Private Placement

NIL

NIL

III Provision of Mobilization and Deployment of funds

Amount in Rupees

Total Liabilities

Total Assets

714995250

714995250

Sources of Funds

Paid-Up Capital

Reserve & Surplus

49774500

74199818

Secured Loans

Unsecured Loans

270859816

198316984

Deferred Tax

020898461

Application of Funds

Net Fixed Assets

Investments

417802435

94637952

Net Current Assets

Misc. Expenditure

100733521

NIL

Accumulated losses

NIL

IV Performance of company

Amount in Rupees

Turnover

Total Expenditure

665696936

644674877

+ -
✓

Profit/Loss before tax

+ -
✓

Profit/Loss after tax

21022059

13104366

+ -
✓

Earning Per Share Rs.

Dividend Rate %

2.63

00.00

V Generic names of three Principal Product/Services of Company

ITC Codes

Item Code No.

Product Description

Transportation Services

Trading in Auto components

Wind Energy Generation

On Behalf of The Board

Narayanprasad Agrawal
Director

Place : Ahmedabad
Dated : 2nd September, 2009

S. K. Verma
Company Secretary

Pawankumar Agrawal
Managing Director



ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the Hall.

Full Name of the Shareholder (BLOCK LETTERS)

Folio No. : _____

DP ID No.* : _____

No. of Shares held : _____

I / We hereby record my presence at the 20th Annual General Meeting of the Company held on Wednesday, the 30th September, 2009 at 10.00 a.m. at 4, B. B. D. Bag East), Stephen House, Room No. 5, 1st Floor, Kolkata – 700 001

Signature of the Shareholder -----

**Affix
15 Paise
Revenue
Stamp**

Note: Only Shareholders of the Company of their Proxies will be allowed to attend the Meeting.

FRONTLINE CORPORATION LIMITED

REGD. OFFICE: 4, BBD BAG (EAST), ROOM NO. 5,
1ST FLOOR, STEPHEN HOUSE, KOLKATA – 700 001

PROXY FORM

Folio No. : _____

DP ID No.* : _____

No. of Shares held: _____

I/We-----of-----in the District of -----being a Member/
Members of above -----in the District of -----
-----of failing him Shri-----as my/our proxy to vote for me/our behalf at 20th Annual
General Meeting of the Company held on Wednesday, the 30th September, 2009 at 10.00 a.m. at 4, B. B. D. Bag East, Stephen
House, Room No. 5, 1st Floor, Kolkata – 700 001 or at any adjournment thereof.

As witness my/our hand (s) this -----day of -----, 2009.

Signature -----

Note: The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

Book-Post

If undelivered, please return to :

FRONTLINE CORPORATION LIMITED

4, B. B. D. BAG (EAST),
STEPHEN HOUSE
ROOM NO. 5, 1ST FLOOR,
KOLKATA - 700 001.