

FRONTLINE CORPORATION LIMITED

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**21st Annual Report
(2009-2010)**



Board of Directors	:	Mr. Ram Prasad Agarwal Mr. Narayan Prasad Agarwal Mr. Bharat Arora Mr. Virendra Sharma Mr. Saurabh Jhunjunwala
Managing Director	:	Mr. Pawan Kumar Agarwal
Company Secretary	:	Mr. S. K. Verma
Statutory Auditors	:	M/S. Paresh Thothawala & Co. Chartered Accountants, Ahmedabad
Branch Auditors	:	M/s. VPC & Associates, Chartered Accountants, Kolkata
Bankers	:	Axis Bank Bank of Baroda Dena Bank HDFC Bank Ltd. ICICI Bank Limited State Bank of India Punjab National Bank Punjab & 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	:	Sharepro Services (India) Pvt. Ltd. 416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad - 380 006.

**NOTICE**

NOTICE is hereby given that the 21st Annual General Meeting of the members of M/s. Frontline Corporation Limited will be held on Thursday, the 30th September, 2010 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, 2010 and the Profit & Loss Account for the period ended on that date together with Auditors Report and the Directors' Report thereon.
2. To appoint a Director in place of Shri Narayan Prasad Agarwal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Virendra Sharma who retires by rotation and being eligible offers himself for re-appointment
4. To appoint Statutory Auditors and Branch Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to section 198,269,309,314, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and Consent of the Company be and is hereby given to the re-appointment Shri Pawan Kumar Agarwal as Managing Director of the Company for a period of five years 21.01.2010 on the following terms & conditions :

- (a) SALARY : Upto Rs. 50,000/- per month with such increments as may be decided by the Board of Directors (which includes any committee thereof) from time to time, after taking into account the Company's performance
- (b) PERQUISITIES & ALLOWANCES : Shri Pawan Kumar Agarwal will be entitled to the following perquisites in addition to the salary restricted an amount the value of which shall not exceed Rs.50,000/- per month.

CATEGORY A:

This will comprise of house rent allowance, house maintenance allowance, leave travel concession, medical reimbursement, fees of clubs, personal accident insurance and such other benefits, facilities and allowances as may be available and allowed to Shri Pawan Kumar Agarwal as per the rules of the Company. These may be provided as under:

HOUSING:

- i) The expenditure incurred by the Company on hiring furnished accommodation of Shri Pawan Kumar Agarwal will be subject to the ceiling of 60% of the Salary, over and above 10% (ten percent) payable by Shri Pawan Kumar Agarwal.
- ii) In case, the company owns the accommodation, 10% (ten percent) of the salary of Shri Pawan Kumar Agarwal shall be deducted by the Company.
- iii) In case, no accommodation is provided by the Company, Shri Pawan Kumar Agarwal shall be entitled to House Rent Allowance subject to the ceiling laid down under Clause (i) above.

Explanation :

The Expenditure incurred by the Company on Gas, Electricity, Water and Furnishing shall be valued as per the Income Tax Rules, 1962 wherever applicable. In the absence of any such rules, perquisites and allowance shall be evaluated at actual cost. This shall be however subject to a maximum ceiling of 10% (ten percent) of the salary of Shri Pawan Kumar Agarwal.



Medical Reimbursement:

Expenses incurred for self and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

Leave Travel Concession:

For Shri Pawan Kumar Agarwal and his family once in a year incurred in accordance with the Rules of the Company.

Club Fees:

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

Personal Accident Insurance:

Of an amount, the annual premium of which does not exceed Rs. 10,000/- per annum to Shri Pawan Kumar Agarwal.

Other Benefits and Allowance:

Any other benefits, facilities and allowances as may be available and allowed to Shri Pawan Kumar Agarwal as per the rules of the Company.

CATEGORY B:

- i) Contributions to Provident Fund and Superannuation/ Annuity Fund will not be included in the computation on perquisites to the extent not taxable under the Income Tax Act, 1962.
- ii) Gratuity payable shall be half a month's salary for each completed year of service.
- iii) Encashment of Leave at the end of the tenure will be permitted and will not be included in the computation of the ceiling on perquisites.
- iv) Reimbursement of actual entertainment expenses, actual traveling and hotel expenses for the Company's business and/or allowances as per the Company's Rules.

CATEGORY C:

Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and Use of Car for private purpose shall be billed by the Company to Shri Pawan Kumar Agarwal.

Sitting Fees:

Shri Pawan Kumar Agarwal so long as he acts as the Managing Director of the Company be not paid any sitting fee for attending any meeting of the Board or any Committee thereof.

Other Terms

- (a) Shri Pawan Kumar Agarwal shall not during the continuance of his employment hereunder or at any other time thereafter, divulge or disclose to any person or make use whatever for his own or for any other purpose, any confidential information or knowledge acquired by him during his employment under the Company as to business or affairs of the Company or as to any trade secret or secrets, processes of the Company, and shall during the continuance of his employment hereunder use his best endeavors to prevent any other person from doing so.
- (b) Shri Pawan Kumar Agarwal hereby undertakes that so long he functions as the Managing Director of the Company; he shall not become interested or otherwise concerned directly or indirectly with any competitors or acquire a dealership or any other business during the tenure of his employment as Managing Director.
- (c) The terms and conditions of the said appointment and/or Agreement may be altered and varied from time to time by the Board and/or any Committee formed later on for the purpose of deciding Remuneration of Executive Directors as they may, in their discretion, deem fit within the maximum amount payable to Managing Director in accordance with rules of the Company, or any amendment made hereafter in this regard.



- (d) The Draft Agreement may be terminated by either party giving the other party six months' party six month's notice of the Company paying six month's remuneration in lieu thereof.
- (e) If at any time Shri Pawan Kumar Agarwal ceases to be the Director of the Company for any cause whatsoever, he shall cease to be the Managing Director.

Service of Notice

- (a) Any notice to be given hereunder shall be sufficiently given or served in case of Shri Pawan Kumar Agarwal by being delivered either personally to him or left for him at his address last known to the Company or sent by registered post addressed to him at such address and in case of the Company be being delivered at or sent by registered post addressed to its registered office, any such notice if so posted shall be deemed served on the date following that day on which it was posted.
- (b) The terms and conditions of the said appointment and/or Agreement may be altered and varied from time to time by the Remuneration Committee and/or Board as they may, in their discretion, deem fit within the maximum amount payable to Managing Director, Whole Time Directors and Executive Directors in accordance with Schedule XIII to the Act, or any amendment made hereafter in this regard.
- (c) The Agreement may be terminated by either party giving the other party six months' party six month's notice of the Company paying six month's remuneration in lieu thereof.
- (d) If at any time Shri Pawan Kumar Agarwal ceases to be the Director of the Company for any cause whatsoever, he shall cease to be the Managing Director.

Service of Notice

Any notice to be given hereunder shall be sufficiently given or served in case of Shri Pawan Kumar Agarwal by being delivered either personally to him or left for him at his address last known to the Company or sent by registered post addressed to him at such address and in case of the Company be being delivered at or sent by registered post addressed to its registered office, any such notice if so posted shall be deemed served on the date following that day on which it was posted.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters as may be necessary to give effect to the foregoing."

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

**Date: 3rd September, 2010
Place: Ahmedabad**

**PAWANKUMAR AGARWAL
MANAGING DIRECTOR**

**EXPLANATORY STATEMENT OF MATERIAL FACTS AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956****Item No. 5**

Mr. Pawan Kumar Agarwal was appointed as Managing Director of the Company with effect from 21st January, 1995 for a period of 5 years. He was further appointed as Managing Director of the Company with effect from 21st January, 2000 for a further period of 5 years and again with effect from 21st January, 2005 for a further period of 5 years. The Company registered an excellent growth under his effective leadership and able guidance. The Board of Directors at its meeting held on 21st January, 2010 had passed a resolutions re-appointing Mr. Pawan Kumar Agarwal as a Managing Director of the Company for a further period of five years w. e. f. 21st January 2010 and the other terms & conditions as set out in the Agreement and stated in the Resolution aforesaid. Your Directors recommend the resolution for your approval.

A copy of the Draft Agreement to be entered into detailing the terms and conditions of his re-appointment and the aforesaid consent is available for inspection at the Registered Office of the Company during normal business hours on any working day upto the date of the meeting.

The Text of the resolution may be deemed as abstract of the terms and conditions of appointment of Mr. Pawan Kumar Agarwal under section 302(2) of the Companies Act, 1956 as the Managing Director of the Company.

None of the Directors except Mr. Pawan Kumar Agarwal, being the appointee and Mr. Ram Prasad Agarwal , Mr. Narayan Prasad Agarwal and Mr. Saurabh Jhunjhunwala being related, may be deemed to be concerned or interested directly or indirectly in the above resolution.

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

Date: 3rd September, 2010

Place: Ahmedabad

**PAWANKUMAR AGARWAL
MANAGING DIRECTOR**



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxy in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the Annual General Meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed Monday, 27th September, 2010 to Thursday, 30th September, 2010 (both days inclusive).
3. An Explanatory Statement pursuant to Section 173(2) of the Company, 1956 is annexed hereto.
4. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company atleast ten days in advance, so as to enable the Company to keep the information ready.
5. Members are requested to kindly bring their copies of the Report and Accounts to the meeting.
6. Members are requested to notify changes in their mailing address, to **M/s. Sharepro Services (India) Pvt Ltd.**, 416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad - 380 006, In case of dematerialized shares, the change of mailing address, bank mandates etc., should be directly sent to the Depository Participant concerned.

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

Date: 3rd September, 2010
Place: Ahmedabad

PAWANKUMAR AGARWAL
MANAGING DIRECTOR



Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 21st Annual Report for the year ended 31st March, 2010

Financial Performance:

(Rs, in Lacs)

		Current Year 31-3-2010	Previous Year 31-3-2009
Revenue from Operations		9319.69	6457.49
Other Income		363.66	202.97
Finance Charges		446.12	335.80
Depreciation		437.30	405.02
Profit Before Taxation		374.16	210.22
Provision for Income-Tax & Fringe Benefit Tax	Current Taxes	203.95	75.62
	Earlier Periods	Nil	2.03
Profit after Taxation		170.21	132.57
Prior Period Adjustments		15.35	1.52
Profit for the year		154.86	131.04
Profit Brought Forward		742.00	610.95
Proposed Dividend		NIL	NIL
Balance Carried to Balance-Sheet		896.86	742.00

PERFORMANCE REVIEW:

Your Company has earned Revenue from Operations of Rs. 9319.69 Lacs as compared to Rs 6457.49 Lacs in the previous year registering a robust increase of 44.32 %. The Company posted Profit before Taxation of Rs. 374.16 Lacs in comparison to Profit before Tax of Rs. 210.22 Lacs in the earlier year. The Company earned a Profit after Tax of Rs. 154.86 Lacs in comparison to Rs. 131.04 Lacs in the previous year, after prior period adjustment of Rs. 15.35 Lacs in the current year. A Balance of Rs. 896.86 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. 154.86 to Reserve & Surplus aggregating to Rs. 896.86 Lacs.

SEGMENT INFORMATION

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

Transportation

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

During the year under review, your Company continued to get / renewed Transportation Contracts from valued customers to cater needs of its valued clients. The Revenue from Transport Operations increased to Rs. 3784.62 Lacs in the previous year to Rs. 3587.74 Lacs in the current year registering a slight decrease by 5.20 % due to increased cost of oil and spare parts. The



Company has already restructured its transport activities for optimum utilization of its fleet of commercial vehicles and is hopeful to come out with 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. 1267.12 Lacs in comparison to Rs. 1011.06 Lacs in the previous year registering a robust increase of 25.32%.

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. 908.88 Lacs in comparison to Rs. 643.15 Lacs in the previous year registering a highly increase of 41.32% mainly due to good potential current scenario.

Your Company has also received order for bulk supply of coal/coke. The supply of the same has already taken place.

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. 547.10 Lacs in comparison to Rs. 369.31 Lacs in the previous year registering a robust increase of 48%. During the year under review the Company has not exported bricks.

Wind Energy Generation:

Your company has been promoting Green Power through Wind Energy. We totally have commissioned capacity of 2.365 MW.

Your company has successfully registered the VER project with APX Registry. Your company has also sold the first VERs to First Climate, Germany. Next issuance is being planned in the next financial year i.e. 2011-2012 to get some volume.

Monsoon was not good but due to north east monsoon and some extended monsoon would give some better generation. 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).

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.



The Revenue from Operations of the division increased to Rs. 121.76 Lacs in comparison to Rs. 64.62 Lacs in the previous year registering a robust increase of 88%.

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.

The Revenue from Operations of the division increased to Rs. 248.14 Lacs in comparison to Rs. 223.45 Lacs in the previous year registering a increase of 11%.

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 Narayan Prasad Agarwal and Shri Virendra Sharma, 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.

During the year Shri Ram Prasad Agarwal, Director of the Company has resigned as Chairman of the Company on 29.09.2009. However he is continuing as Director of the Company.

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 & Sharma, Chartered Accountants, who were re-appointed as Statutory Auditors of the Company at the 20th Annual General Meeting held on 30.09.2009. They have vide their letter dated 10th November, 2009 conveyed their inability to continue to hold office as Statutory Auditors of the Company. In view of the same, the Company was required to appoint some other eligible person in terms of Section 224(6) of the Companies Act, 1956,

The Board approached M/s. Paresh Thothawala & Co., Chartered Accountants, for their consent to hold Office as Statutory Auditors upto the next Annual General Meeting.

The members of the Company at their Extra-ordinary General Meeting held on 30th December, 2009 have unanimously appointed M/s. Paresh Tothawala, Chartered Accountants as Statutory Auditors of the Company until the conclusion of the next Annual General Meeting of the Company.

M/s. Paresh Thothawala & Co., Chartered Accountants, Ahmedabad, Statutory Auditors of the Company retires at the ensuing Annual General Meeting and are eligible for appointment. You are requested to appoint 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 re-appointment. You are requested to re-appoint the Auditors.

The Auditors in their Report Dated 3rd September, 2010 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 has been returned to the customer without interest. The company has supplied material to three 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 are 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: 3rd September, 2010
Place: Ahmedabad

Pawan Kumar Agarwal
Managing Director

Narayan Prasad Agarwal
Director



ANNEXURE 'B'
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	USD 2790185.55 (Previous Year NIL)	1271.21 (Previous Year NIL)
Total Foreign Exchange outgo	USD 815858.37 (Previous Year USD 200.00)	Rs. 371.13 Lacs (Previous Year Rs. 0.09 Lacs)



FORM - A

Disclosure of particulars with respect to Conservation of Energy for the year ended 31.03.2010

A. POWER AND CONSUMPTION

1. ELECTRICITY

	2009-2010	2008-2009
a) Purchased		
- Units (In Lacs)	2.59	2.86
- Total Amount (In Lacs)	15.56	16.71
- Rate (Rs./Units)	6.00	5.82
b) Through Diesel generator		
- Units (In Lacs)	---	
- Units per Ltr. Of Diesel Oil	---	
- Cost (Rs. /Units)	---	

B. CONSUMPTION PER UNIT OF PRODUCTION

	Units per MT	Units per MT
Electricity (Units/Mt.)	72.39	88.48

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.

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

During the year under review, your Company continued to get / renewed transportation Contracts from valued customers to cater needs of its valued clients. The Revenue from Transport Operations decreased from Rs. 3784.62 Lacs in the previous year to Rs 3587.74 Lacs in the current year registering a slight decrease by 5.20%. due to increased cost of oil and spare parts and other overheads. 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.

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 very good potential in future. The Revenue from trading Operations of automotive parts of "BOSCH" increased to Rs. 1267.12 Lacs in comparison to Rs. 1011.06 Lacs in the previous year registering a robust increase 25.32%.



Mahindra & Mahindra Division is acting as the Super Distributor for Auto Components & Farm Equipment manufactured by "Mahindra & Mahindra Ltd.," for the Automotive Aftermarket. With newer models of vehicles being introduced in the market every year, the business has very good potential in future. The Revenue from trading Operations of automotive parts of "Mahindra & Mahindra Ltd" increased to Rs. 908.88 Lacs in comparison to Rs. 643.15 Lacs in the previous year registering a highly increase of 41.32% mainly due to good potential in current scenario.

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:

The world economy after experiencing an unprecedented contraction in the second half of 2008 has slowly recovered in 2009-2010. The same holds for steel/glass Industry where the major sale of Refractories is made. During the source of recovery 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 Refractory Bricks, The Division has long list of satisfied customers. The Revenue from Operations of the division increased to Rs. 547.10 Lacs in comparison to Rs. 369.31 Lacs in the previous year registering a robust increase 48%. During the year under review the Company has not exported bricks.

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 11,807.00 MW of commercial projects have been established until March 31, 2010.

Your company has been promoting Green Power through Wind Energy. We totally have commissioned capacity of 2.365 MW.

Your company has successfully registered the VER project with APX Registry. Your company has also sold the first VERs to First Climate, Germany. Next issuance is being planned in the next financial year i.e., 2011-2012 to get some volume.

Monsoon was not good but due to the north east monsoon and some extended monsoon would give some better generation. 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).

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.

The Revenue from Operations of the division increased to Rs. 121.76 Lacs in comparison to Rs. 64.62 Lacs in the previous year registering a robust increase of 88%.

**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. 248.14 Lacs in comparison to Rs. 223.45 Lacs in the previous year registering an increase of 11%.

Discussion on Financial performance**Transportation**

The Revenue from Transport Operations decreased from Rs. 3784.62 Lacs in the previous year to Rs 3587. 74 Lacs in the current year registering a slight decrease by 5.20 %. due to increased cost of oil and spare parts and other overheads. 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.

Trading

The Revenue from trading Operations of automotive parts of "BOSCH" increased to Rs. 1267.12 Lacs in comparison to Rs. 1011.06 Lacs in the previous year registering a robust increase 25.32%.

The Revenue from trading Operations of automotive parts of "Mahindra & Mahindra Ltd" increased to Rs. 908.88 Lacs in comparison to Rs. 643.15 Lacs in the previous year registering a highly increase of 41.32% mainly due to good potential in current scenario.

Bricks Division

The Revenue from Operations of the division increased to Rs. 547.10 Lacs in comparison to Rs. 369.31 Lacs in the previous year registering a robust increase 48%. During the year under review the Company has not exported bricks.

Wind Energy Generation:

The Revenue from Operations of the division increased to Rs. 121.76 Lacs in comparison to Rs. 64.62 Lacs in the previous year registering a robust increase of 88%.

Renting of immovable properties

The Revenue from Operations of the division increased to Rs. 248.14 Lacs in comparison to Rs. 223.45 Lacs in the previous year registering an increase of 11%.

Risk and Concerns:

Your Company is exposed to the normal industry risk factors of interest 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:

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 Organisations. 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.

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

Date: 3rd September, 2010
Place: Ahmedabad

Pawan Kumar Agarwal
Managing Director

Narayan Prasad Agarwal
Director



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 2009-2010):

Director	Executive/ Non-executive/ Independent	No. of shares held in the Company	No. of Board meetings attended	Attendance at the Last AGM	No. of Directorship held in other Public Companies	Total No. of Chairman ship of Committees across all companies	
						Member	Chairman
Shri Ram Prasad Agarwal	Chairman-cum-Non-Executive and Promoter Director	783622	14	Yes	3	-	-
Shri Narayan Prasad Agarwal	Non-Executive and Promoter Director	684700	13	Yes	3	-	-
Shri Pawan Kumar Agarwal	Managing Director Executive and Promoter Director	622266	16	Yes	3	-	-
Shri Saurabh Jhunjhunwala	Non-Executive Director	385440	10	Yes	1	3	-
Shri Virendra Sharma	Independent Director	300	14	Yes	-	3	-
Shri Bharat Arora	Independent Director	-	14	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.

During the year Shri Ram Prasad Agarwal, Director of the Company has resigned as Chairman of the Company on 29.09.2009. However he is continuing as Director of the Company.

(b) Non Executive Directors' compensation and disclosures:

None of Non Executive Directors have been reimbursed out of pocket expenses incurred by them in relation to Company's activities.

(c) Other provisions of the Board:

Twenty One Board Meetings were held during the financial year 2009-2010 as against the minimum requirement of 4 meetings.

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

01.04.2009	11.06.2009	29.09.2009	19.11.2009	30.12.2009	31.01.2010	25.03.2010
30.04.2009	31.07.2009 ¹	31.10.2009	21.11.2009	21.01.2010	02.03.2010	30.03.2010
11.05.2009	02.09.2009	12.11.2009	17.12.2009	30.01.2010	17.03.2010	31.03.2010

**(d) Code of Conduct:**

Code of Conduct for Board members and Senior Managers was approved at the Board Meeting held on 02.09.2009. 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-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	5	5
2	Shri Virendra Sharma	Independent Director	Member		5
3	Shri Saurabh Jhunjunwala	Non- Executive Director	Member		4

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 five times during the year 2009-2010 on 30.04.2009, 31.07.2009, 02.09.2009, 31.10.2009 and 31.01.2010.

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 30.04.2009 and 21.01.2010. 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	2	2
2	Shri Virendra Sharma	Member	Independent Director		2
3	Shri Saurabh Jhunjhunwala	Member	Non- Executive Director		2

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.

• **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 5 times on 30.04.2009, 31.07.2009, 02.09.2009, 31.10.2009, and 30.01.2010. The following are the members and their attendance at Committee Meetings:-

#	Name of Directors	Status	Category of Directorship	No. of Meetings Held	No. of Meetings Attended
1	Shri Bharat Arora	Chairman	Independent Director	5	5
2	Shri Virendra Sharma	Member	Independent Director		5
3	Shri Saurabh Jhunjhunwala	Member	Non- Executive Director		4

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 31.3.2010. 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 2009-2010.

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 summery 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 has already established 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.

5. Shareholders Information:**a. General Body Meetings:**

Current AGM:

Date, time and venue : 30th September, 2010 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
20	30.09.2009	10.00 a.m.	4, B. B. D. Bag (East), Room No. 5 Stephen House, 1st Floor, Kolkata – 700 001	
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	

An Extra-ordinary General Meeting was held on 30th December, 2009 after the last Annual General Meeting.

In the last year five resolutions was required to be put through Postal Ballot All the five Resolutions had been approved by shareholders of the Company with requisite majority.

**6. Financial Calendar for the Financial Year 2009-2010**

Financial Year	:	1st April, 2009 to 31st March, 2010
First Quarter ended	:	30th June, 2010
Half year ended	:	30th September, 2010
AGM for the year 2007-08	:	30th September, 2010
Date of the Book Closure	:	Monday, 27th September, 2010 to Thursday, 30th September, 2010 (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/FROTLINET

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. Dainik Lipi in Bangla Newspaper and Western Times in English. 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 during the year are as follows:

Month	Open Price (Rs.)	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	No. of Shares	No. of Trades	Total Turnover (Rs.)
April 2009	19	19	19	19	90	1	1710
May 2008	19.95	20	19.95	20	11	2	219
June 2009	21	21	13.8	17.9	11512	74	195571
July 2009	17.05	17.05	12.55	13.8	7311	22	106239
August 2009	13.8	16.25	13.15	15.5	15293	46	231672
September 2009	15	19.25	15	15.75	11571	59	206149
October 2009	15.15	18.8	14.2	16.55	6194	45	99016
November 2009	16	19.5	13.75	13.75	3417	36	58077
December 2010	14.43	17.5	14.43	16.62	12230	76	200464
January 2010	16.05	22.85	15.35	21.65	24309	160	482264
February 2010	20.06	25.55	20.10	21.70	3527	65	76881
March 2010	22.5	25.75	20.65	23.25	35848	116	840681
April 2010	22.3	28.15	21.05	23.85	7168	71	171928
May 2010	24.9	30.7	24.85	28.45	537	15	15548
Jun 2010	29.8	29.8	25.65	25.65	55	6	1624
July 2010	25.65	28.05	19.15	20	11991	135	295733
August 2010	19.05	21.65	18.1	21.5	3561	28	73541

(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 31.03.2010

Range of Balance	Physical		NSDL		CDSL		Total				
	From	To	Holders	Balance	Holders	Balance	Holders	Balance	Holders	%	Balance
1	500	128	51506	116	23635	73	9173	317	52.05	84314	1.69
501	1000	78	74300	25	22746	13	10299	116	19.05	107345	2.15
1001	2000	10	13900	13	19607	2	3098	25	4.11	36605	0.73
2001	3000	61	151300	12	29078	6	16250	79	12.97	196628	3.93
3001	4000	6	21500	3	10152	0	0	9	1.48	31652	0.63
4001	5000	11	52100	5	24690	2	4850	17	2.79	81640	1.63
5001	10000	8	45100	8	53420	2	20000	15	2.46	118520	2.37
10001	99999999	8	458222	20	3824978	3	60096	31	5.09	4343296	86.87
	Total	307	867928	202	4008306	100	123766	609	100.00	5000000	100.00



CATEGORIES OF SHAREHOLDERS (AS ON 31.03.2010)
STATEMENT SHOWING SHAREHOLDING PATTERN

Category Code (I)	Category of Shareholder (II)	Number of shares holders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)
(A)	Shareholding of Promoter Promoter Group²					
1.	Indian					
(a)	Individuals/ Hindu Undivided Family	31	3496668	3474162	69.93	69.93
(b)	Central Government/State Government(s)	0	0.00	0.00	0.00	0.00
(c)	Bodies Corporate	3	49300	9000	0.99	0.99
(d)	Financial Institutions/ Banks				0.00	0.00
(e)	Any Others(Specify)				0.00	0.00
	Sub Total (A) (1)	34	3545968	3483162	70.92	70.92
2	Foreign					
a	Individuals (Non-Residents Individuals / Foreign Individuals)	0	0.00	0.00	0.00	0.00
b	Bodies Corporate				0.00	0.00
c	Institutions				0.00	0.00
d	Any Others (Specify)				0.00	0.00
	Sub-Total (A) (2)	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)	34	354968	3483162	70.92	70.92
(B)	Public Shareholding	0	0	0	0.00	0.00
	Sub-Total (B) (1)	0	0	0	0.00	0.00
B 2	Non-institutions					
(a)	Bodies Corporate	31	336125	314025	6.72	6.72
(b)	Individuals					
I	Individuals :					
	i. Individual shareholders holding nominal share capital up to Rs.1 Lac	526	571834	195234	11.44	11.44
II	ii. Individual shareholders holding nominal share capital in excess of Rs.1 Lac	12	544638	138216	10.89	10.89
(c)	Any other (specify) Clearing Member & Clearing House	5	400	400	0.01	0.01
	Any other (specify) NRI REPT	1	1035	1035	0.02	0.02
	Sub - Total (B) (2)	575	1454032	648910	29.08	29.08
(B)	Total Public (B) = (B)(1) + (B)(2)	575	1454032	648910	29.08	29.08
	Total (A) + (B)	609	5000000	4132072	100.00	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0
	GRAND TOTAL (A) + (B) + (C)	609	5000000	4132072	100.00	100.00



10. Registrar and Share Transfer Agents

Hitherto, Pinnacle Shares Registry Pvt. Ltd has been the Registrar and Transfer Agents of the Company. Recently in terms of SEBI directions, Pinnacle Shares Registry Pvt. Ltd has decided to cease operations effective from 28/02/2010, necessitating appointment of new Registrars by the Company. Accordingly the Company invited some of the prominent Registrars for discussion. After discussion with some of them, the Company identified M/s. Sharepro Services (India) Pvt. Ltd., as **Registrar and Share Transfer Agents**. M/s. Sharepro Services (India) 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.

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

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 82.64 % of the Equity Capital of the Company has been dematerialized as on 31.03.2010 as follows:

Details of Demat share Holding as on 31/03/2010

Particulars	No. of Shares	% of Capital
National Securities Depository Ltd.	4008306	80.17
Central Depository Services (India) Ltd	123766	2.48
Total Dematerialized	4132072	82.64
Physical	867928	17.36
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 31.3.2010.

FRONTLINE CORPORATION LIMITED

Date: September 03, 2010
Place: Ahmedabad

PAWANKUMAR AGRAWAL
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 03, 2010
Place: Ahmedabad

PAWANKUMAR AGRAWAL
MANAGING DIRECTOR

**CERTIFICATE CORPORATE GOVERNANCE**
[Under Clause 49 of the Listing Agreement]

To,
THE MEMBERS OF FRONTLINE CORPORATION LTD.

We have examined the compliance of the conditions of Corporate Governance by Frontline Corporation Limited for the year ended 31 March 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to 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 of the financial statements of the Company.

The quarterly result published by the company for the year 2009-10 was subject to limited review.

In our opinion and to the best of our information and according to the explanations given to us we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that based on the conditions given by the Registrar and Transfer Agent of the Company, as on 31st March, 2010, there was no investor grievance, remaining unattended.

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, Paresh Thothawala & Co.
Chartered Accountants
FRN: 114777W

Paresh K. Thothawala
Proprietor
Membership No: 048435

Date : 03.09.2010
Place : Ahmedabad



**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 2010**, 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, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 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, 2010;
 - 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 Paresh Thothawala & Co.
Chartered Accountants
FRN : 114777W

Paresh K. Thothawala
Proprietor
Membership No. 48435

Ahmedabad, September 3, 2010



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. In case of stocks of items like Refractory Bricks, due to the nature of the stock and the manner of its storage, the actual quantities of stocks cannot be measured on physical verification with substantial accuracy. However the difference, if any, in actual receipts and issues, is accounted for suitably.
 - (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 two parties. The maximum amount and outstanding at year end was Rs.2,24,29,582/-. The company has also granted and advance in the nature of loan to Two Parties. The maximum amount during the year was Rs.30,21,17,116/- and the outstanding as on 31.03.2010 was Rs.30,21,17,116/-.
 - (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. Total Income amounting to Rs.26,89,429/- from Fairdeal Supplies Ltd. and Rs.4,89,19,714/- from Falgun Export Limited, Income amounting to Rs.17,95,112/- from Centre for Advance Studies in Engineering, Income amounting to Rs.1,48,895/- from Neha Trade & Finance Private Limited, Income amounting to Rs.6,92,20,778/- from M/s. Fairdeal and Income amounting to Rs.1,34,83,246/- from Scientific Weightbridge & Auto Parts has been received during the year.
- (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. **According to the information and explanations given to us, in respect of transaction aggregating to Rs. 13,16,23,738/- with three parties approval of appropriate authority is pending as required u/s 297 for the Companies Act, 1956. The company has already applied for approval of the same.**
- (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 from one party shown under the head Deposits and Trade Advances in the Schedule 'D' Unsecured Loan, from a partnership firm against supply of material and outstanding balance at the year end of Rs. 5,59,09,504/-.
- (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. However, the company has not deducted and paid the applicable ESI other than at Haldia Branch in respect of Kolkata Division.
- (b) According to the information and explanations given to us, no disputed 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, 2010 for a period of more than six months from the date they become payable except for service tax, professional tax and Value Added Tax as under:

Nature of Tax	Amount (Rs.)	Period to which the amount Relates	Due Dates	Date of Payment
Service tax	9,373/-	Jan'09 to Feb'09	5th of Next Month	-
Professional tax	480/- 2080/-	2008-09 2009-10	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 not been deposited on account of disputed and the forum where dispute is pending are as under:



Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which amount relates	Forum where dispute is pending
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)

- (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 Paresh Thothawala & Co.
Chartered Accountants
FRN : 114777W**

**Date: September 3, 2010
Place: Ahmedabad**

**Paresh K. Thothawala
Proprietor
Membership No. 48435**



BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCHEDULE	AS AT 31/03/2010 Amount in Rs.	AS AT 31/03/2009 Amount in Rs.
SOURCES OF FUNDS :			
SHAREHOLDER'S FUNDS			
Share Capital	"A"	49,774,500	49,774,500
Reserves and Surplus	"B"	89,685,828	74,199,818
LOAN FUNDS :			
Secured Loans	"C"	566,731,073	270,859,816
Unsecured Loans	"D"	87,322,857	198,316,984
Deferred Tax Liabilities (Net)		34,893,276	20,898,461
TOTAL :		828,407,534	614,049,579
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	"E"	583,733,717	568,204,652
Less: Depreciation		191,429,305	150,402,217
Net Block		392,304,412	417,802,435
Capital Work In Progress		1,021,303	875,671
INVESTMENT	"F"	94,518,099	94,637,952
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	"G"	62,378,652	42,690,988
Sundry Debtors	"H"	123,450,725	76,858,493
Cash & Bank Balances	"I"	15,861,724	15,976,150
Loans and Advances	"J"	357,568,585	66,153,561
SUB TOTAL(A)		559,259,687	201,679,192
Less: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	"K"	203,042,260	100,452,801
Provisions	"L"	15,653,706	492,870
SUB TOTAL(B)		218,695,967	100,945,671
NET CURRENT ASSETS=A-B		340,563,720	100,733,521
TOTAL :		828,407,534	614,049,579

CERTIFIED TO BE TRUE COPY
FOR FRONTLINE CORPORATION LTD.

S.K. Verma
COMPANY SECRETARY

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

"W"

On Behalf of Board

For Paresh Thothawala & Co.
Chartered Accountants
FRN : 114777W

Narayanprasad Agarwal
Director

Paresh K. Thothawala
Proprietor
M.No. 48435

S.K.Verma
Company Secretary

Pawankumar Agarwal
Managing Director

Date: 03/09/2010
Place: Ahmedabad

Date: 03/09/2010
Place: Ahmedabad



PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2010

PARTICULARS	SCHEDULE	YEAR ENDED 31/03/2010 Amount in Rs.	YEAR ENDED 31/03/2009 Amount in Rs.
INCOME			
Revenue from Operations	"M"	931,969,213	645,749,316
Other Income	"N"	36,365,625	20,297,446
Increase/(decrease) in Finished Goods	"O"	(650,921)	(349,825)
		967,683,918	665,696,937
EXPENDITURE			
Material Cost	"P"	406,585,686	185,687,887
Operational Expense	"Q"	372,656,591	341,266,499
Payment to & Provision for Employees	"R"	28,908,329	21,895,479
Administrative & Other Charges	"S"	33,775,273	21,743,796
Financial Charges	"T"	44,611,936	33,579,642
Depreciation		43,729,917	40,501,574
		930,267,733	644,674,877
PROFIT BEFORE TAX & PRIOR PERIOD ADJUSTMENTS		37,416,185	21,022,060
Provision for Current Taxes	"U"	20,394,815	7,562,376
Earlier Periods			
Income Tax		0	202,837
PROFIT AFTER TAX BUT BEFORE PRIOR PERIOD ADJUSTMENTS		17,021,370	13,256,847
Prior Period Adjustments	"V"	1,535,360	152,480
PROFIT FOR THE YEAR		15,486,010	13,104,367
Add:Brought Forward Profit		74,199,818	61,095,452
Profit Available For Appropriations		89,685,828	74,199,819
APPROPRIATIONS			
Amount appropriated towards defined benefit Obligation of Earlier Year		0	0
Balance Carried to Balance Sheet		89,685,828	74,199,819
		89,685,828	74,199,819
Basic/Dilluted Earning Per Share (Rs.)		3.11	2.63

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

"W"

On Behalf of Board

For Paresh Thothawala & Co.
Chartered Accountants
FRN : 114777W

Narayanprasad Agarwal
Director

Paresh K. Thothawala
Proprietor
M.No. 48435

S.K.Verma
Company Secretary

Pawankumar Agarwal
Managing Director

Date: 03/09/2010
Place: Ahmedabad

Date: 03/09/2010
Place: Ahmedabad



CASH FLOW STATEMENT FOR THE PERIOD FROM APRIL, 2009 TO MARCH, 2010.

Particulars	For the year ended	
	31st March, 2010	31st March, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	37,416,185	21,022,059
Adjusted for		
Depreciation	43,729,917	40,272,276
Interest Income	(3,004,266)	(2,600,850)
Interest Expenses	44,611,936	33,579,642
Provisions	738,373	201,295
(Profit) / Loss on sale of fixed assets	(452,807)	12,527
Foreign Exchange Fluctuation Gain	5,000,350	1,642
Prior Period Adjustment of Defined Benefit Obligation	-	-
	90,623,504	71,466,532
Operating Profit Before Working Capital Changes	128,039,688	92,488,591
Adjusted for		
Trade & Other Receivables	(338,859,957)	(29,887,010)
Stock in Hand	(19,687,664)	624,493
Trade Payable, Other Current Liab. & Provision	118,303,366	41,705,822
	(240,244,256)	12,443,305
Cash Generated from Operations	(112,204,568)	104,931,896
Direct Taxes Paid	9,441,927	8,233,888
Cash Flow Before Extra-ordinary Items	(121,646,494)	96,698,008
Extra-ordinary Items:		
Compensation		
Prior period adjustments	1,535,360	152,480
Cash Flow from Operating Activities	(123,181,854)	96,545,528
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(18,724,087)	(171,618,037)
Disposal of Fixed Assets	945,000	9,970
Increase in Capital Work in Progress	(145,632)	-
Movement in Loans & Advances	2,663,384	(1,339,123)
Interest Received	3,004,266	2,600,850
Investment made in Real Estate	119,853	(354,487)
Net Cash from Investing Activities	(12,137,216)	(170,700,827)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	-	-
Proceeds from Long Term Borrowing	228,385,205	102,512,374
Proceeds from Working Capital Limit	100,375,226	(2,970,995)
Repayment of Long Term Borrowing	(32,889,173)	(7,309,241)
Movement in Unsecured Loans	(110,994,127)	15,551,537
Interest Paid	(44,611,936)	(33,579,642)
Dividend & Corporate Dividend Tax Paid	(60,200)	(61,449)
Net Cash from Financing Activities	140,204,995	74,142,584
Net Cash Flows During the Year (A+B+C)	4,885,925	(12,715)
Opening Balance of Cash and Cash Equivalents	15,976,150	15,990,507
Closing Balance of Cash and Cash Equivalents	20,862,075	15,976,150



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 31.03.2010	As at 31.03.2009
Cash in hand	7,473,900	5,269,063
Foregin Exchange Fluctuation Gain	5,000,350	1,642
Balances with banks:-		
- In Current Accounts	7,349,608	9,667,277
- In Fixed Deposits	1,038,208	1,038,168
	20,862,074	15,976,150

On Behalf of Board

For Paresh Thothawala & Co.
Chartered Accountants
FRN : 114777W

Narayanprasad Agarwal
Director

Paresh K. Thothawala
Proprietor
M.No. 48435

S.K.Verma
Company Secretary

Pawankumar Agarwal
Managing Director

Date: 03/09/2010
Place: Ahmedabad

Date: 03/09/2010
Place: Ahmedabad



SCHEDULE FORMING PART OF THE BALANCE SHEET

PARTICULARS	31.03.2010	31.03.2009
Schedule : 'A' : Share Capital		
<u>Authorised Capital</u>		
60,00,000 Equity Shares (P.Y. 60,00,000 Equity Shares) of Rs.10/-each	60,000,000	60,000,000
<u>Issued & Subscribed</u>		
50,00,000 Equity Shares (P.Y. 50,00,000 Equity Shares) of Rs.10/-each (Including 563700 Fully Paid up Equity Shares of Rs.10/- each issued as Bonus Shares by way of Capitalization of Accumulated Profits)	50,000,000	50,000,000
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	74,199,818	61,095,452
Add: Profit for the year	15,486,010	13,104,366
Less: Amount appropriated towards Defined benefit obligation for earlier period	0	0
	89,685,828	74,199,818
Schedule : 'C' : Secured Loans		
Term Loans from Banks	253,452,259	33,341,800
Term Loans -Others	78,485,743	103,100,170
Working Capital Facilities	234,793,072	134,417,846
	566,731,073	270,859,816
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	22,429,582	23,668,895
From Directors	275,000	275,000
Security Deposit and Trade advances	64,618,275	174,373,089
	87,322,857	198,316,984

Schedule 'E' : Fixed Assets

Sr No	Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
		As on 01/04/2009	Additions	Deletions/ Adjustments	As on 31/03/2010	As On 1/04/2009	ADJUSTED	For the Year	Deletions	As on 31/03/2010	As on 31/03/2010	As on 31/03/2009
(A)	Intangible Asset											
	Software	96,004.00	-	-	96,004	2,664.00		32,000.00	-	34,664.00	61,340	93,340
(B)	Tangible Asset											
I	LAND	77,013,735	11,322,263	-	88,335,998						88,335,998	77,013,735
II	BUILDING	144,147,933	2,723,639	-	146,871,572	8,190,529		2,364,409	-	10,554,939	136,316,633	135,957,404
III	PLANT & MACHINERY AND EQUIPMENTS	138,839,525	1,755,919	-	140,595,444	61,533,817		12,341,733	-	73,875,550	66,719,894	77,305,712
IV	FURNITURE & FIXTURES	4,854,594	626,066	-	5,480,660	2,988,109		303,273	-	3,291,382	2,189,278	1,866,485
V	VEHICLES	203,252,863	2,296,201	3,195,022	202,354,041	77,687,103		28,688,500	2,702,829	103,672,774	98,681,268	125,565,760
(A+B)	TOTAL	568,204,653	18,724,088	3,195,022	583,733,719	150,402,222		43,729,915	2,702,829	191,429,308	392,304,411	417,802,435
	GRAND TOTAL	568,204,653	18,724,088	3,195,022	583,733,719	150,402,222		43,729,915	2,702,829	191,429,308	392,304,411	417,802,435
	Previous Year	389,882,832	268,752,129	90,430,309	568,204,652	110,148,503	1,096,708.00	40,501,572	1,344,568	150,402,217	417,802,435	247,095,257



PARTICULARS	31.03.2010	31.03.2009
Schedule : 'F' : Investments		
Shares & Securities		
Non Trade Long Term (At Cost)		
A.Quoted Equity Shares (Fully Paid Up)	<u>Face Value</u>	<u>Nos.</u>
	<u>Amount</u>	<u>Amount</u>
50 (P.Y. 50) Share of Ginni Filament Pvt.Ltd.	10	50
22650 (P.Y.17400)Shares of Green Ply Industries Ltd.	5	22650
	1,750	1,750
	904,800	435,000
Long Term (Unquoted)		
600 (P.Y.600) Shares of Sonal Sil-Chem Ltd.	10	600
	0	0
	906,550	436,750
(Agreegate Market Value of Quoted Investments)	2,767,053	774,523
Investment in Immovable Properties(At Cost)	93,611,549	94,201,202
TOTAL	94,518,099	94,637,952
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	495,592	808,641
Stock in Trade	52,710,492	31,640,438
Finished Goods	3,047,179	3,689,300
Raw Materials	4,888,695	5,307,114
Work in Progress	1,236,694	1,245,495
	62,378,652	42,690,988
Schedule : 'H' : Sundry Debtors		
Unsecured Considered Good		
<u>Debts Outstanding For a period</u>		
Exceeding Six Months	48,251,143	14,030,318
Others	75,199,582	62,828,175
	123,450,725	76,858,493
Unsecured Considered Doubtful		
Outstanding For a period exceeding six month	6,185,182	5,098,872
Less: Provisions	1,313,765	942,872
Less: Provision for Claim	4,871,417	4,156,000
	0	0
(Refer note no.2 of Part D of Schedule "W")	123,450,725	76,858,493
Schedule : 'I' : Cash & Bank Balances		
Cash on Hand	7,473,909	5,270,705
<u>Balances with Scheduled Banks</u>		
In Current Accounts	7,349,608	9,667,277
In Fix Deposit Account	1,038,208	1,038,168
	15,861,724	15,976,150



PARTICULARS	31.03.2010	31.03.2009
Schedule : 'J' : Loans & Advances		
LOAN & ADVANCE		
Unsecured Considered Doubtful		
Doubtful Advance	40,000	40,000
Less: Provision	40,000	40,000
	0	0
Unsecured Considered Good		
Loans & Advances		
Recoverable in cash or in Kind or for value to be received	334,720,912	48,083,477
For Capital Expense	1,891,120	1,295,244
Deposits	3,331,293	1,698,637
Advance Income Tax (Net)	17,625,260	15,076,203
	357,568,585	66,153,561
	357,568,585	66,153,561
Schedule : 'K' : Current Liabilities		
Sundry Creditors	177,129,087	60,729,496
Advance from Customers	3,639,204	7,416,635
Other Liabilities	22,273,969	32,306,670
	203,042,260	100,452,801
Schedule : 'L' : Provisions		
Provisions for Expense	15,653,706	-
Provisions for FBT(Net)		492,870
	15,653,706	492,870
<u>SCHEDULE FORMING PART OF THE PROFIT & LOSS A/C.</u>		
Schedule : 'M' : Revenue From Operations		
Sales	528,830,165	211,615,585
Transport Operations	347,257,936	378,462,082
Loading and Unloading Income	11,515,673	16,222,481
Rent Income on Let out Property	24,970,425	22,344,524
Wind Energy	12,176,208	6,461,680
Other Operational Income	7,218,806	10,642,964
	931,969,213	645,749,316
Schedule : 'N' : Other Income		
Interest from Banks(Gross,T.D.S.Rs.13291/-,P.Y.Rs.12610/-)	77,272	83,863
Interest on Others	2,926,994	2,516,987
Provision No Longer Required Written Back	374,022	2,691,186
Profit on Sale of Assets	452,807	385
Incentive From Supplier	13,426,962	10,758,635
Foreign Exchange Fluctuation (Net)	5,000,350	1,642
Sundry Balances Written off	493,047	331,628
Miscellaneous Income	13,614,172	3,913,120
	36,365,625	20,297,446



PARTICULARS	31.03.2010	31.03.2009
Schedule : 'O' : (Increase) / Decrease in Finished Goods		
Opening Stock of Finished Goods & W.I.P.	4,934,794	5,284,620
Closing stock of Finished Goods & W.I.P	4,283,873	4,934,795
Accretion/Decretion to Stock	650,921	349,825
Schedule : 'P' : Materials Cost		
Raw Materials Consumed		
Opening Stock	5,307,114	4,443,394
Add : Purchases	24,422,088	16,828,941
Less : Closing Stock	4,888,695	5,307,114
	24,840,508	15,965,221
Goods Traded In		
Opening Stock	31,640,438	33,319,486
Add : Purchases	401,820,296	167,215,954
Less : Closing Stock	52,710,492	31,640,438
	380,750,242	168,895,602
Consumable Stores & Tools		
Opening Stock	808,641	267,981
Add : Purchases	561,220	1,368,324
Less : Closing Stock	374,924	808,641
	994,937	827,664
	406,585,686	185,687,887
Schedule: 'Q' : Operation Expenses		
Freight Payment	147,175,296	176,265,264
Trip Expense And Allowances	34,746,558	36,910,602
Diesel Expense	98,123,150	78,114,791
Claims	4,747,218	7,566,173
Loading & Unloading Expense	521,799	4,963,805
Power	1,939,448	2,052,235
Repairs & Manintenance	40,837,258	24,779,152
Other Operational Expense	44,565,865	10,614,477
	372,656,591	341,266,499
Schedule: 'R' : Payment to & Provision for Employee		
Salary, Bonus & Allowances	24,770,123	18,086,061
Staff Walfare Expense	2,425,659	2,612,508
Employers Contribution to P.F., E.S.I.,etc.	1,712,547	1,196,910
	28,908,329	21,895,479
Schedule : 'S' : Administrative & Other Expenses		
Travelling & Conveyance Expense	2,629,673	2,214,871
Auditors Remuneration	271,170	445,156
Insurance Premium	3,053,373	3,598,904



PARTICULARS	31.03.2010	31.03.2009
Rates & Taxes	6,914,976	692,812
Rent	1,943,911	2,338,562
Loss on Sale of Fixed Assets	-	12,912
Provision for doubtful debts and advances	738,373	201,295
Bad debt Written off / Sundry Balance Written Off (Net)	1,182,767	247,442
Penalty/Fines	230,750	30,713
Investment Written Off	-	-
Other Administrative Expense	16,712,123	11,842,406
Brokerage and Commission	98,156	118,723
	33,775,273	21,743,796
Schedule : 'T' Financial Charges		
Interest on Term Loans	8,849,166	13,673,290
Bank Interest	24,529,549	16,597,324
Others	11,233,221	3,309,028
	44,611,936	33,579,642
Schedule:'U' Provision for Current Taxes		
Provision for Current Tax	6,400,000	8,000,000
Provision for FBT	-	648,723
Provision for Defered Tax	13,994,815	(1,086,347)
	20,394,815	7,562,376
Schedule:'V' Prior Period Adjustment		
Prior Priod Income (Net)	1,535,360	152,480
	1,535,360	152,480



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.
- (d) In respect of Trading concern, revenue is recognized at the time of sale of goods.

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.

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 31/03/2010	Year ended 31/03/2009
a) Audit Fees	222982	173346
b) Taxation matters	4964	35306
c) Management Consultancy	16545	80000
d) Company Law Matters	0	50000
e) Professional Fees	0	20000
f) Service Tax	17855	34608

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. 10,38,208/- are pledged with bank for various facilities.
7. Advances Recoverable in cash or in kind under the head Current Assets includes Rs.87,47,890/- (P.Y.Rs. 92,50,310) 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.
8. The company had received Rs.23,68,278/- towards arrear rent for the period from October 2003 to March 2009 from the property letout to Punjab & Sindh Bank through mutual settlement. Out of total arrear rent, rent received Rs.5,94,633/- belongs to the period prior to acquisition of the property, therefore the said amount has been reduced to the cost of property and remaining balance Rs.17,73,645/- has been treated as Rental Income from the Let out Property during the financial year 2009-10.



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) (TO THE EXTENT APPLICABLE)

- 1 None of the Employees of the Company was in receipt of Salary exceeding Rs.200,000/- per month (Previous Year Rs. 200,000/-) 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	2009-10 (M.T.)	2008-09 (M.T.)
Licensed Capacity *	N.A.	N.A.
Installed Capacity	4800.00	4800.00
Production	3578.90	3241.94

*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:

Refractory Bricks	2009-10		2008-09	
	M.T.	Rs. In Lacs	M.T.	Rs. In Lacs
Opening Stock	325.84	33.31	472.02	40.18
Closing Stock	271.64	27.14	325.84	33.31
Turnover	3633.10	546.86	3388.12	379.95

(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	329.598	12.33	1032.914	41.49	1044.27	40.09	318.242	11.51
	(713.802)	(22.30)	(1006.226)	(30.54)	(1384.43)	(40.51)	(329.60)	(12.33)
Bauxite	87.004	10.33	731.113	63.36	729.838	64.13	88.279	9.56
	(67.763)	(5.17)	(722.985)	(66.85)	(703.74)	(61.70)	(87.00)	(10.33)
Clay	178.213	2.05	580.477	9.23	649.888	9.29	108.802	2.00
	(133.031)	(1.11)	(1186.980)	(10.19)	(1141.80)	(9.24)	(178.21)	(2.05)
Dyspore	74.433	11.29	390.78	53.31	384.322	51.22	80.891	13.08
	(12.755)	(1.26)	(216.310)	(26.20)	(154.63)	(16.16)	(74.43)	(11.29)
Pyrophyllite	116.516	2.87	421.91	24.13	422.956	22.79	115.47	4.20
	(118.785)	(2.82)	(307.69)	(8.66)	(309.96)	(8.61)	(116.52)	(2.87)
Others	235.487	14.20	426.8215	52.86	452.5985	59.42	209.71	8.54
	(223.130)	(11.77)	(288.614)	(25.86)	(276.26)	(23.43)	(235.49)	(14.20)
Total	1021.251	53.071	3584.016	244.373	3683.873	247.234	921.394	48.887
	(1269.266)	(44.430)	(3728.805)	(168.300)	(3970.820)	(159.650)	(1021.251)	(53.070)

Note: Figures in bracket related to previous year



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

	2009-10			2008-09		
	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	247.234	9.95	100%	159.65	8.27	100%

(e) : Goods Traded

Description	Units	Opening Stock		Purchase		Sale		Closing Stock	
		Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)
Automobile Components	Pcs	228808 (284653)	31036677 (33123182)	1125585 (824048)	228248904 (162528795)	1092072 (879893)	228643901 (172310985)	262321 (228808)	39162510 (31036677)
Lubricants	Ltr.	875 (1829)	99507 (196304)	14247 (36126)	7956099 (3354807)	14077 (37080)	7646002 (3813382)	1045 (875)	598164 (99507)
Coking Coal	M.T.	Nil Nil	Nil Nil	14820 (306)	89740760 (6457576)	14820 (306)	118034346 (8402400)	NIL NIL	NIL NIL
Lam Coke	M.T.	Nil (Nil)	Nil (Nil)	609 (Nil)	10325192 (Nil)	609 (Nil)	10326338 (Nil)	NIL (Nil)	NIL (Nil)
Inro One	M.T.	Nil (Nil)	Nil (Nil)	28801 (Nil)	77536975 (Nil)	22800 (Nil)	127120854 (Nil)	6001 (Nil)	12949819 (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.	Units sold (KWH) (Including Unbilled Units)	Value in Rs.
2009-10	4306297	1,21,76,207	4306297	1,21,76,207
2008-09	2380350	64,61,650	2380350	64,61,650

Note: The above units include 109670 (Value Rs.3,23,526/-) unbilled units for the year 2009-10 and 22146 (Value Rs. (59,795) for the year 2008-09

4. Expenditure in Foreign Currency

Particulars	2009-10	2008-09
Ship Freight & Demurrage Charges (Freight - 777024 US\$ & Demurrage 34034.37 US\$)	36895045	Nil
(Sampling & Analysis Charges (2800 US\$))	127764	Nil
Supervision Charges (2000 US\$)	96080	Nil

5. Receipt in Foreign Currency

Particulars	2009-10	2008-09
Export Sale	127120854	Nil

**D. Additional Disclosures as required under applicable Accounting Standards (to the extent applicable)****1 Contingent liabilities not provided for:**

Particulars	2009-10	2008-09
Bank Guarantees Issued	60,50,000	84,13,30,000
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	87,47,890	93,10,310
Suit filed by The New India Insurance Co. Ltd. to recover amount under The Carriers Act	2,12,87,770	NIL
LC discounted with bank (Sino Steel Holding Pte. Ltd.)	12,51,93,576	NIL
Advance on purchase of Land	10,38,000	6,09,180
TOTAL CONTINGENT LIABILITY	20,24,68,754	89,14,01,008

2 Provisions for Claims :

Nature of Liability	Provisions as on 01.04.2009	Additions	Amount Used	Reversal, if any during the year	Provision as on 31.03.2010
Claims	41,56,000	7,15,417	Nil	Nil	48,71,417
Total	41,56,000	7,15,417	Nil	Nil	48,71,417

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 counter claims 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, 2010	March 31, 2009
Profit after tax (Amount Rs.)	1,54,86,010	1,31,04,366
Weighted Average Number of Equity shares outstanding	49,77,450	49,77,450
EPS (Rupees)	3.11	2.63

4 Deferred Tax

Particulars	Year Ended	
	31/03/10	31/03/09
(A) The movement in deferred tax account is as follows:		
Opening Balance	2,08,98,461	2,19,84,808
Provision for current year deferred tax liability(net)	1,39,94,815	(10,86,347)
Closing balance of deferred tax liability	3,48,93,276	2,08,98,461
(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	3,57,35,078	2,29,71,686
Deferred Tax Assets	(8,41,802)	(2073225)
	3,48,93,276	2,08,98,461
	Opening	Charged/Credited To P&L
Deferred Tax Liabilities		Closing
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	2,29,71,686	1,27,63,392
TOTAL (A)	2,29,71,686	3,57,35,078
Deferred Tax Assets		
Tax impact of expenses charged in the financial statements but allowable in future years under income tax		
Bonus Payable	4,45,271	(21,782)
Disallowance of Exp. due to late payment of TDS	13,24,247	(13,24,247)
Provision. Doubtful Advances	12,360	NIL
Provision Doubtful Debts	2,91,347	1,14,606
TOTAL (B)	20,73,225	(12,31,423)
Net Deferred Tax Liability (A-B)	2,08,98,461	3,48,93,276

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 Company
 Neha Trades & Finance Pvt. Ltd.
 Falgun Financial Services Limited
 Frontline Industries Limited
 Jhunjhunwala Charitable Trust



Scientific Weigh Bridge & Auto Parts (Partnership Firm)
Shiv Shakti Steel Pvt. Ltd.

3 Key Management Personnel & their relatives:

Pawankumar Agrawal
Narayanprasad Agrawal
Saurabh Jhunjunwala
Ramprasad Agrawal
Bajinath Agrawal & Sons H.U.F.
Bhagwani Devi Agrawal
Gaurav Jhunjunwala
Hansa Agrawal
Shraddha Jhunjunwala
Raja Jhunjunwala
Mukund Jhunjunwala
Narayanprasad Agrawal & Sons H.U.F.
Ramprasad Agrawal & Sons H.U.F.
Renudevi Jhunjunwala
Rewadevi Jhunjunwala
Shilpi Jhunjunwala
Kritin Jhunjunwala
Venya Jhunjunwala

Sr. No.	Nature of transactions with related parties	Associate/Joint Venture	
		2009-10	2008-09
1	<u>Interest on Loan</u>	18,55,511	14,24,156
	Shiv Shakti Steel Pvt. Ltd	1,746,246	973282
	Fairdeal Supplies Ltd.	Nil	337565
	Others (Prima Financial Services Ltd.)	109265	113309
2	<u>Purchase of Goods</u>	Nil	6556791
	Fairdeal Supplies Ltd	Nil	6556791
3	<u>Sale of Goods</u>	201870023	33170648
	Fairdeal Supplies Ltd	122755719	2546574
	M/S Fairdeal	69220778	30624074
	Scientific Weight Bridge & Auto Parts (Partnership Firm)	13483246	-
4	<u>Sale of Tipper</u>	Nil	Nil
5	<u>Transportation Income</u>	50482006	77775377
	Fairdeal Supplies Ltd	2602708	52495009



	Falgun Export Pvt. Ltd.	47879298	25623124
6	<u>Sale of Internet Service</u>	1795112	1826807
	Centre of Advanced Studies in Engineering	1795112	1826807
7	<u>Rent Income</u>	61180	61180
	Fairdeal Supplies Ltd	61180	61180
8	<u>Rent Expense</u>	266254	250643
	Fairdeal Supplies Ltd	66000	66000
	Ramprasad Agrawal	119984	119985
	Bajinath & Sons - HUF	32270	32270
	Pawankumar Agrawal	48000	32388
9	<u>Weigh Bridge Income</u>	47836	790043
	Fairdeal Supplies Ltd	Nil	790043
	Falgun Export Pvt. Ltd.	47836	Nil
10	<u>Income from Excavator</u>	411498	1215842
	Falgun Export Pvt. Ltd.	411498	1215842
11	<u>Income from Loading & Unloading</u>	1079301	2620789
	Fairdeal Supplies Ltd.	86721	2620789
	Falgun Export Pvt. Ltd.	992580	Nil
12	<u>Sale of Lame Coke</u>	148895	
	Neha Trades & Finance Pvt. Ltd.	148895	Nil
13	<u>Outstanding as at year end</u>		
	<u>Net Receivable</u>	3,33,41,715	NIL
	Fairdeal Supplies Ltd	3,33,41,715	Nil
	Neha Trades & Finance Pvt. Ltd.	148895	Nil
	<u>Net Payable</u>		
	<u>Unsecured Loan</u>	2,24,29,582	2,36,68,895
	Fairdeal Supplies Ltd	Nil	2917199
	Shiv Shakti Steel Pvt. Ltd	20971357	19402736
	Prime Financial Services Ltd.	1458225	1348960
	<u>Advance from Customer</u>	10,08,982	68,59,836
	Fairdeal Supplies Ltd	Nil	6525450
	Falgun Export Pvt. Ltd.	1008982	334386
	<u>Advance Recoverable in Cash or Kind</u>	Nil	2,58,364
	Fairdeal Supplies Ltd	Nil	258364
5.	Disclosure required as per AS-15		
#	Particulars	2009-10	2008-09
1	Reconciliation of opening and closing balance of the defined benefit obligation		
	Present value of obligations as at beginning of year	1264098	1010150
	Interest cost	101128	80812



Current Service Cost	259259	216357
Benefits paid	Nil	152938
Actuarial (gain)/loss on obligations	98663	109717
Present Value of Obligation as at end of Year	1723148	1264098
2 Reconciliation of opening and closing balances of the fair value of plan asset		
Fair value of plan assets at beginning of year	1292542	826528
Expected return on plan assets	116525	67031
Contributions	795694	551921
Benefits paid	Nil	152938
Actuarial Gain/(Loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	2204761	1292542
3 Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	1292542	826528
Actual return of plan assets	116525	67031
Contributions	795694	551921
Benefits paid	Nil	152938
Fair value of plan assets at the end of year	2204761	1292542
Funded status	481613	28444
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	(98663)	(109717)
Actuarial (gain)/Loss for the year – plan assets	NIL	NIL
Total (gain)/Loss for the year – plan assets	98663	109717
Actuarial (gain)/Loss recognized in the year	98663	109717
5 Amounts to be recognized in the balance sheet		
Present value of obligations as at the end of year	1292542	1264098
Fair value of plan assets as at the end of the year	1723148	1292542
Funded status	481613	28444
Net Asset/(liability) recognized in balance sheet	(481613)	(28444)
6 Expenses Recognized in statement of profit & loss		
Current Service cost	259259	216357
Interest cost	101128	80812
Expected return of plan assets	(116525)	(67031)
Net actuarial (gain)/Loss recognized in the year	(98663)	(109717)
Expenses recognized in statement of profit & loss	342525	339855
Assumptions		
Discount Rate	8 %	8 %
Salary Escalation	7 %	7 %

7. 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	12,176,208 6,461,680	365,621,380 189,082,251	54,666,482 37,999,469	358,773,609 378,504,722	24,814,425 22,344,524	24,510,960 31,245,748	840,563,064 665,638,394
Export Sales	- -	127,120,854 -	- -	- -	- -	- -	127,120,854 -
Total External Sales	12,176,208 6,461,680	492,742,234 189,082,251	54,666,482 37,999,469	358,773,609 378,504,722	24,814,425 22,344,524	24,510,960 31,245,748	967,683,918 665,638,394
Add: Inter Segment Sales	- -	- -	- -	- -	- -	- -	- -
Total Segment Sales/ Revenue	12,176,208 6,461,680	492,742,234 189,082,251	54,666,482 37,999,469	358,773,609 378,504,722	24,814,425 22,344,524	24,510,960 31,245,748	967,683,918 665,638,394
Segment result before interest, exceptional/ extraordinary items & tax	1,154,360 651,561	108,610,753 10,858,487	12,514,660 4,927,473	41,873,698 22,914,709	22,062,252 19,641,216	-104,187,602 -4,952,591	82,028,121 54,040,855
Add: Unallocated Income Net of Unallocable Exp.							-
Less : Interest	4,531,573 81,507	9,308,250 9,224,243	3,779,999 3,484,798	35,261,271 11,423,899	3,272,040 4,658,452	-11,541,197 4,706,744	44,611,936 33,579,643
Profit Before Exceptional/ Extra Ordinary items & tax	-3,377,213 382,211	99,302,503 1,765,461	8,734,661 1,441,056	6,612,427 11,694,307	18,790,212 14,982,764	-92,646,405 -9243739	37,416,185 21,022,060
Prior Period Adjustment	(2,166) 187,843	- -131,217	(33,929) 1,619	(171,548) -203,496	(1,179,421) -	(148,296) -7229	(1,535,363) -152,481
Profit Before taxes	-3,379,379 570,054	99,302,503 1,634,244	8,700,732 1,442,675	6,440,879 11,490,811	17,610,791 14,982,764	-92,794,701 -9,250,968	35,880,825 20,869,579
Taxes							20,078,335 7,765,213
Profit After Taxes							15,802,490 13,104,366
Total Assets							
Segment Assets	57,468,810 62,205,203	127,031,815 74,565,966	45,022,430 35,299,434	557,827,501 160,093,579	210,129,525 201,085,952	31,998,161 46,335,219	1,029,478,242 579,585,354
Unallocable Asset at HO							- 135,409,896
Total							1,029,478,242 714,995,249
Total Liabilities							
Segment Liabilities	1,649,000 33,555,848	52,305,518 10,561,013	6,464,976 5,911,707	135,314,010 118,691,272	- 32,115,604	22,195,845 254,775,592	217,929,350 455,611,035



Particulars	Wind Energy Rs.	Trading Rs.	Manufacturing Rs.	Transportation Rs.	Renting of Immovable Properties Rs.	Others Rs.	Total Rs.
Unallocable Liability at HO							- 135,409,896
Total							217,929,350 <i>591,020,931</i>
Total Cost Incurred during the year to acquire segment assets	13,750 <i>22,905,400</i>	3,471,661 <i>229,306</i>	116,092 <i>887,893</i>	436,863,073 <i>131,732,638</i>	11,322,263 <i>21,673,795</i>	2,191,847 <i>1,049,598</i>	453,978,685 <i>178,478,630</i>
Total Cost Incurred during the year to acquire unallocable Asset							- 254,709
Segment Depreciation	8,245,672 <i>5,023,283</i>	201,051 <i>227,060</i>	307,371 <i>253,597</i>	31,075,473 <i>8,405,013</i>	2,235,521 <i>2,188,960</i>	1,664,830 <i>24,364,320</i>	43,729,917 <i>40,462,232</i>
Segment Depreciation (Unallocable Asset)							- 39,342
Non-cash expenses other than depreciation	- -	- 400	- -	1,182,767 <i>200,895</i>	- -	- -	1,182,767 <i>201,295</i>

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 Automative 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	Total Rs.
Revenue				
External Sales:				
Domestic Sales/Income	110,160,232 <i>169,801,696</i>	658,779,460 <i>420,401,108</i>	71,623,372 <i>75,435,589</i>	840,563,064 <i>665,638,393</i>
Export Sales	127,120,854 -	- -	- -	127,120,854 -
Total Sales/Income	237,281,086 <i>169,801,696</i>	658,779,460 <i>420,401,108</i>	71,623,372 <i>75,435,589</i>	967,683,918 <i>665,638,393</i>
Add: Inter Segment Sales	- -	- -	- -	- -
Total Sales	237,281,086 <i>169,801,696</i>	658,779,460 <i>420,401,108</i>	71,623,372 <i>75,435,589</i>	967,683,918 <i>665,638,393</i>
Less: Inter Segment Sales	- -	- -	- -	- -
Total Revenue	237,281,086 <i>169,801,696</i>	658,779,460 <i>420,401,108</i>	71,623,372 <i>75,435,589</i>	967,683,918 <i>665,638,393</i>
Total Assets				
Segment Assets	635,896,186 <i>251,003,568</i>	387,439,445 <i>449,302,006</i>	6,142,611 <i>14,196,806</i>	584,207,607 <i>714,502,380</i>
Unallocable Assets	- -	- -	- -	- -
Total Cost Incurred during the year to acquire segment assets	15,427,417 <i>2,603,907</i>	3,284,622 <i>176,039,791</i>	12,049 <i>89,641</i>	18,724,088 <i>178,733,339</i>

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 Automative Parts.
- 3) Segment revenue, segment results, segment assets, and segment liabilities include the respective amount identifiable to each of the segment.

For Paresh Thothawala & Co.
Chartered Accountants
FRN : 114777W

Narayanprasad Agarwal
Director

Paresh Thothawal
Proprietor
M.No. 48435

S.K.Verma
Company Secretary

Pawankumar Agarwal
Managing Director

Date:03/09/2010
Place:Ahmedabad

Date:03/09/2010
Place:Ahmedabad



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 10
Date Month Year

II Capital raised during the year (Amount in Rupees)
Public Issue Public Right Issue
Bonus Issue Private Placement

III Provision of Mobilization and Deployment of funds (Amount in Rupees)
Sources of Funds: Total Liabilities, Paid-Up Capital, Secured Loans, Deferred Tax
Application of Funds: Total Assets, Reserve & Surplus, Unsecured Loans, Investments, Misc. Expenditure, Accumulated losses

IV Performance of company (Amount in Rupees)
Turnover, Profit/Loss before tax, Profit/Loss after tax, Earning Per Share Rs., Dividend Rate %

V Generic names of three Principal Product/Services of Company
Item Code No., ITC Codes, Product Description: Transportation Services, Trading in Auto components, Wind Energy Generation

On Behalf of The Board
Narayanprasad Agrawal
Director

Place : Ahmedabad
Dated : 3rd September, 2010

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 21st Annual General Meeting of the Company held on Thursday, the 30th September, 2010 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 21st Annual General Meeting of the Company held on Thursday, the 30th September, 2010 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 -----, 2010.

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.