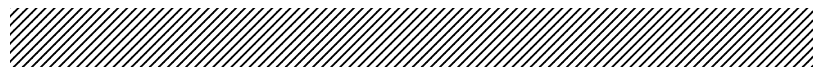


***FRONTLINE CORPORATION LIMITED***

***28th Annual Report***

***(2016-2017)***



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28<sup>th</sup> Annual General Meeting on Thursday, 21<sup>st</sup> September, 2017 at 10.00 a.m. at its Registered Office at 4, BBD Bag (East), Room No. 5, 1st Floor, Stephen House, Kolkata - 700 001



**Board of Directors:**

|                            |   |                            |
|----------------------------|---|----------------------------|
| Mr. Ram Prasad Agarwal     | : | Director & Chairman        |
| Mr. Narayan Prasad Agarwal | : | Director                   |
| Mr. Saurabh Jhunjhunwala   | : | Director                   |
| Ms. Aarefa Oanali Dudhwala | : | Independent Women Director |
| Mr. Virendra Sharma        | : | Independent Director       |
| Mr. Jiw Raj Khaitan        | : | Independent Director       |
| Mr. Sital Kumar Banerjee   | : | Independent Director       |
| Mr. Pawan Kumar Agarwal    | : | Managing Director          |

**Company Secretary** : Mr. S. K. Verma

**Chief Financial Officer** : Mr. Roshan Lal Saklani

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

**Branch Auditors** : M/s. VPC & Associates, [ Upto 31.3.2017 ]  
Chartered Accountants,  
Kolkata.

**Bankers** : Dena Bank  
HDFC Bank Ltd.  
Indusind Bank  
ICICI Bank Limited  
Punjab & Sind Bank  
Standard Chartered Bank  
State Bank of India  
Union Bank of India  
The Jammu & Kashmir Bank Limited

**Registered Office** : 4, B. B. D. Bag (East),  
Stephen House, Room No. 5, 1<sup>st</sup> Floor,  
Kolkata – 700 001  
Phone- 033-22301153, 22306825  
Fax- 033 – 2243 6124

**Corporate Office** : 4th Floor, Shalin Building,  
Near Nehru Bridge Corner,  
Ashram Road, Ahmedabad – 380 009  
Phone-079-26578201, 26580414  
Fax- 079-26576619, 26580287

**Registrar & Transfer Agent** : Bigshare Services Private Limited  
Branch Address A-802, Samudra Complex Near Klassic Gold Hotel  
Girish Cold Drink, off C G Road, Navrangpura  
Ahmedabad Gujarat - 380009  
Phone No. -079-40024135, Mob. 9971542155  
**web: [www.bigshareonline.com](http://www.bigshareonline.com)**

**NOTICE**

**NOTICE** is hereby given that the **28<sup>th</sup> Annual General Meeting** of the members of Frontline Corporation Limited will be held at 10.00 a.m. on Thursday, the 21<sup>st</sup> September, 2017 at its Registered Office at 4, B. B. D. Bag (East), Stephen House, Room No. 5, 1<sup>st</sup> Floor, Kolkata – 700 001 to transact the following business :

**Ordinary Business:**

1. To receive, consider and adopt the audited Statement of Profit and Loss for the year ended March 31, 2017 and the Balance Sheet for the year ended on March 31, 2017 and Cash Flow Statement for the year ended on that date and reports of the Board of Directors and the Auditors there on and other documents attached or annexed thereto.
2. To Re-appoint Mr. Saurabh Jhunjunwala, Director of the Company (holding Director Identification Number 00060432), liable to retire by rotation in terms of section 152(6) of the companies Act, 2013 and, being eligible, offers himself for Re-appointment.
3. To Re-appoint Mr. Mr. Ram Prasad Agarwal, Director of the Company (holding Director Identification Number 00060359), liable to retire by rotation in terms of section 152(6) of the companies Act, 2013 and, being eligible, offers himself for Re-appointment.
4. To reappoint the Statutory Auditors and to fix their remuneration and in this regards pass with or without modification(s) the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, including any modification, variation or re-enactment thereof, the appointment of M/S Paresh Thothawala & Co. (Firm Registration No. 117444W) as Statutory Auditors of the Company, approved in the 25<sup>th</sup> Annual General Meeting until the conclusion of 30<sup>th</sup> Annual General Meeting of the Company, be and is hereby ratified (for the financial year 2017-18) and that the Board of Directors of the Company and the Audit Committee of the Company be and are hereby authorised to fix their remuneration for the financial year 2017-18 and permit reimbursement of actual out of pocket expenses, as may be incurred in the performance of their duties.”

**SPECIALBUSINESS**

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

“RESOLVED THAT, pursuant to Section 188 of the Companies Act, 2013 and of the Companies ( Meeting of Board and its Powers ) Rules, 2014 and other applicable provision of the Act and the rules, consent of the members of the Company be and is hereby accorded to the Board of Directors to enter into contract or any transaction of purchase, sale or supply of goods or services or sale or purchase of any immovable property with M/s. Fairdeal ( a Partnership Firm ) and M/s. Scientific Weigh Bridge and Auto Parts ( a Partnership firm ) and M/s. Fairdeal Supplies Limited in which Director of the Company namely Mr. Ramprasad Agarwal, Mr. Pawankumar Agarwal, Mr. Narayanprasad Agarwal and Saurabh Jhunjunwala are interested directly, or through his relatives.”

“RESOLVED FURTHER THAT, the total value of contract or any transaction of purchase, sale or supply of goods or services or sale or purchase of any immovable property with M/s. Fairdeal (a Partnership Firm) and M/s. Scientific Weigh Bridge and Auto Parts (a Partnership firm) and M/s. Fairdeal Supplies Limited in any one financial year should not exceed Rs. 25 Crores per entity.”

“RESOLVED FURTHER THAT, the Board of Directors of the Company be and are hereby authorized to finalize the terms and conditions of contract or any transaction of purchase, sale or supply of goods or services or sale or purchase of any immovable property with /s. Fairdeal ( a Partnership Firm ) and M/s. Scientific Weigh Bridge and Auto Parts ( a Partnership firm ) and M/s. Fairdeal Supplies Limited to settle any doubt, question or difficulty that may arise.”

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

Sd/-

**Pawan Kumar Agarwal**

Managing Director

DIN : 00060418

Place : Ahmedabad  
Date : August 11, 2017

**NOTES:**

- A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (MEETINGS) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY** The proxy from duly completed and signed, should be lodged with the Company, at its registered office at least 48 hours before the time of the meeting. A person cannot hold more than 50 proxies.
- B. The relative Explanatory Statement , pursuant to section 102 (2) of the Companies Act , 2013 in respect of the special business under item no. 5 is annexed hereto
- C. Pursuant to the provision of Section 91 of the Companies Act , 2013 the registered of members and share transfer books of the Company will remain close from Friday, 15<sup>th</sup> September, 2017 to Thrusday, 21<sup>st</sup> September, 2017 ( both the days inclusive), for the purpose of annual general meeting.
- D. All documents referred to in the notice and the explanatory statement requiring the approval of the members at the meeting and other statutory register shall be available for inspection by the Members at the registered office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and public holiday, from the date hereof up to the date of the Annual General Meeting.
- E. The Notice of the 28th Annual General Meeting with instruction for e-voting, along with attendance slip and proxy form is being dispatched to the Members by Post (and electronically by e-mail to those Members who have registered their e-mail IDs with the Company /Depositories) whose names appear in the Register of Members/list of beneficial owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) on 25<sup>th</sup> August, 2017. Members may also note that the notice of the 28<sup>th</sup> AGM and the Annual Report 2016-17 will be available on the Company's website [frontlinecorporation.org](http://frontlinecorporation.org)
- F. As per Section 72 of the Companies Act, 2013, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nomination are requested to send their request in Form SH-13 for nomination and Form SH-14 for cancellation/variation as the case may be to the RTA.
- G. A Map showing the Venue of the Annual General Meeting is enclosed herewith.
- H. Voting through electronic means:** In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 28<sup>th</sup>Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting. The Company has signed an Agreement with NSDL for facilitating such e-Voting by the Members. Kindly note that each Member can opt for only one mode for voting i.e. either by Physical Ballot or by E-voting. However, in case members cast their vote both via physical ballot and e-voting, then voting through postal ballot shall prevail and voting done by e-voting shall be treated as invalid.

**The instructions for e-voting are as under:**

**Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM)by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 18<sup>th</sup> September, 2017 (9:00 am) and ends on 20<sup>th</sup> September, 2017 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16<sup>th</sup> September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
- (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - (iii) Click on Shareholder - Login
  - (iv) Put your user ID and password. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" of "FRONTLINE CORPORATION LIMITED ".
  - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [jalanalkesh@gmail.com](mailto:jalanalkesh@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

| <b>EVEN (Remote e-voting Event Number)</b> | <b>USER ID</b> | <b>PASSWORD/PIN</b> |
|--|----------------|---------------------|
| <b>107120</b>                              | -              | -                   |
  - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

*NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).*

*In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID). In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).*

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 16<sup>th</sup> September, 2017.

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 16<sup>th</sup> September, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Mr. Alkesh Jalan, Practicing Company Secretary (Membership No. 15677) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.frontlinecorporation.org](http://www.frontlinecorporation.org) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai and Calcutta Stock Exchange

You may also contact to Mr. Prem Kumar, Bigshare Services Private Limited, A-802, Samudra Complex Near Klassic Gold Hotel, Girish Cold Drink, Off C G Road, Navrangpura, Ahmedabad Gujarat – 380009 Phone No. -079-40024135, Mob. 9971542155  
web: [www.bigshareonline.com](http://www.bigshareonline.com)



- (l) Members are requested to notify the change in the address, if any. In case of shares held in electronic form to the concerned Depository Participant quoting their Client ID and in case of physical shares to the Registrar and Transfer Agent of the Company quoting their Folio Number.

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

**Item No. 5**

Pursuant to provision of Section 188 of Companies Act, 2013 contracts or transactions involving purchase or sale of goods exceeding 25% of the annual turnover or services exceeding 10% of networth requires prior approval of members in General meeting. M/s. Fairdeal ( a Partnership Firm ) and M/s. Scientific Weigh Bridge and Auto Parts ( a Partnership firm ) and M/s. Fairdeal Supplies Limited in which Director of the Company namely Mr. Ramprasad Agarwal, Mr. Pawankumar Agarwal, Mr. Narayanprasad Agarwal and Saurabh Jhunjunwala are interested directly, or through his relatives.

The Company carries out or proposes to carry out transactions with M/s. Fairdeal ( a Partnership Firm ) and M/s. Scientific Weigh Bridge and Auto Parts ( a Partnership firm ) and M/s. Fairdeal Supplies Limited at arms length price. The prices at which transactions are carried out or proposed to be carried out are as per prevailing market rate.

No advance is paid or will be paid for carrying out transactions with M/s. Fairdeal ( a Partnership Firm ) and M/s. Scientific Weigh Bridge and Auto Parts ( a Partnership firm ) and M/s. Fairdeal Supplies Limited.

It is proposed that total value of transactions carried out or proposed to be carried out M/s. Fairdeal ( a Partnership Firm ) and M/s. Scientific Weigh Bridge and Auto Parts ( a Partnership firm ) and M/s. Fairdeal Supplies Limited with in aggregate in any one financial year should not exceed Rs. 25 Crores per entity.

The details of Shares held by the Directors and their relatives in Fairdeal Supplies Limited as on date of issue of notice is as under :

|    | <b>Name of the Shareholder</b>      | <b>Number of Shares</b> | <b>% of total Share Capital</b> |
|----|-------------------------------------|-------------------------|---------------------------------|
| 1  | Shri Pawan Kumar Agarwal            | 159447                  | 7.9724                          |
| 2  | Shri Gaurav Jhunjunwala             | 66072                   | 3.3036                          |
| 3  | Smt. Bhagwani devi Agrawal          | 100                     | 0.0050                          |
| 4  | Shri Ramprasad Agarwal              | 202806                  | 10.14                           |
| 5  | Smt. Rewadevi Jhunjunwala           | 20046                   | 1.0023                          |
| 6  | Shri Saurav Jhunjunwala             | 103114                  | 5.15                            |
| 7  | Ms. Shilpi Jhunjunwala              | 2500                    | 0.1250                          |
| 8  | Shri Mukund Jhunjunwala             | 87922                   | 4.3961                          |
| 9  | Bajjnath Agrawal & Son (HUF)        | 160500                  | 8.0250                          |
| 10 | Narayan Prasad Agarwal              | 64758                   | 3.23                            |
| 11 | Hansa Agarwal                       | 38193                   | 1.9097                          |
| 12 | Renudevi Jhunjunwala                | 170476                  | 8.52                            |
| 13 | Narayan Prasad Agarwal & Son(HUF)   | 30000                   | 1.5000                          |
| 14 | Raja Jhunjunwala                    | 180500                  | 9.0250                          |
| 15 | Shri Ramprasad Agarwal & Sons (HUF) | 75000                   | 3.7500                          |

The Shareholding of the Directors and their relatives who are deemed to be interested in this resolution is as under:

| Sr. No. | Name of the Shareholder          | Number of Equity Shares | % of total Shares of the Company |
|---------|----------------------------------|-------------------------|----------------------------------|
| 1.      | Ram Prasad Agarwala              | 388722                  | 7.77                             |
| 2.      | Rewa Devi Jhunhunwala            | 26486                   | 0.52                             |
| 3.      | Ram Prasad Agarwala, HUF         | 234900                  | 4.70                             |
| 4.      | Gaurav Jhunhunwala               | 194040                  | 3.88                             |
| 5.      | Hansa Agarwal                    | 171000                  | 3.42                             |
| 6.      | Falgun Export Private Limited    | 161900                  | 3.24                             |
| 7.      | Narayan Prasad Agarwala          | 145800                  | 2.92                             |
| 8.      | Bhagwani Devi Agarwala           | 138900                  | 2.78                             |
| 9.      | Mr.Pawan Kumar Agarwal           | 250266                  | 5.00                             |
| 10.     | Manju Choudhury                  | 124900                  | 2.50                             |
| 11.     | Saurabh Jhunhunwala              | 105440                  | 2.11                             |
| 12.     | Renu Devi Jhunhunwala            | 91500                   | 1.83                             |
| 13.     | Narayan Prasad Agarwala, HUF     | 38900                   | 0.78                             |
| 14.     | Prima Financial Services Limited | 35300                   | 0.71                             |
| 15.     | Mukund Jhunhunwala               | 23800                   | 0.48                             |
| 16.     | Lalitadevi Shyamsunder Murarka   | 18700                   | 0.37                             |
| 17.     | Shilpi Jhunhunwala               | 5100                    | 0.10                             |
| 18.     | Raja Jhunhunwala                 | 1000                    | 0.02                             |
|         | <b>Total</b>                     | <b>2156654</b>          | <b>43.13</b>                     |

Chief Financial Officer of the Company and Company Secretary do not hold any shares in 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 Jhunhunwala being related, may be deemed to be concerned or interested directly or indirectly in the above resolution.

The % of Profit and Loss Sharing ratio of the Partners in M/s. Fairdeal is 1) Ramprasad Agarwal – 34%, 2) Narayan Prasad Agarwal – 33% 3) Mr. Pawankumar Agarwal – 17% and 4) Mrs. Hansaben Pawankumar Agarwal 16%. The % of Profit and Loss Sharing ratio of the Partners in M/s. Scientific Weigh Bridge and Auto Parts is 1) Ms. Renudevi Jhunhunwala, wife of Director Mr. Ramprasad Agarwal – 32%, 2) Rewadevi Jhunhunwala, wife of Mr. Narayan Prasad Agarwal – 32% and 3) Hansaben Pawankumar Agarwal, wife of Director, Mr. Pawankumar Agarwal – 31% and 4) Mr. Pawankumar Agarwal – 5%.

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

Place : Ahmedabad  
Date : August 11, 2017

Sd/-  
**Pawan Kumar Agarwal**  
Managing Director  
DIN : 00060418

**Directors' Report**

To  
The Members,  
**Frontline Corporation Limited**

Your Directors have pleasure in presenting their 28th Annual report along with Audited Accounts for the year ended on March 31, 2017.

| <b>Financial Performance and Appropriations :</b>                              | <b>(Rs, in Lacs)<br/>Current Year<br/>ended on<br/>31-03-2017</b> | <b>(Rs, in Lacs)<br/>Previous Year<br/>ended on<br/>31-03-2016</b> |
|--|---|--|
| Revenue from Operations  | 4373.53   | 3873.23  |
| Other Income   | 167.29  | 100.67   |
| Total Income   | 4540.82   | 3937.91  |
| Finance Charges  | 523.46  | 538.75   |
| Depreciation   | 130.96  | 110.61   |
| Profit /( Loss) before Taxation & Exceptional and Extra Ordinary Items         | (523.41)  | (523.66)   |
| Provision for Taxes – Current  | 43.50   | 0  |
| Provision for Taxes – Deferred   | (45.31)   | (127.93)   |
| Income Tax – Earlier Period  | 36.83   | 32.29  |
| Profit /( Loss) after taxation but before exceptional and Extra Ordinary Items | (548.43)  | (428.02)   |
| Exceptional & Extra Ordinary Items   | (631.24)  | (3.23)   |
| Profit/ ( Loss) for the year   | 82.81   | (424.80)   |
| <b>Appropriations</b>  |   |  |
| Opening Balance of Profit / ( Loss ) Brought Forward                           | 54.8  | 478.96   |
| Profit/ ( Loss) for the year   | 82.81   | (424.79)   |
| Proposed Dividend  | NIL   | NIL  |
| Balance Carried to Balance-Sheet   | 136.97  | 54.16  |

**Notes:**

Previous years' figures have been regrouped wherever necessary to bring them in line with the current year's representation of figures.

**Reserves and Surplus :**

The Opening Balance of Reserves and Surplus is 54.16 lacs. The Company has transferred the whole of the Profit of Rs. 82.80 lacs to Reserves and Surplus. Further during the year there was an addition of Capital Reserves of Rs. 19.83 lacs. The Closing Balance of the Reserves and Surplus stands at Rs. 156.80 lacs.

**Dividend :**

In order to conserve resources, your Directors do not recommend any dividend for the year.

**Review Of Operations:**

The year 2016-2017 marked deterioration in the fundamentals of both the global and the Indian economies. The year under review was a challenging one for your company as well. The Revenue from Operations have increased from Rs. 3837.23 lacs to Rs. 4373.53 lacs. Your Company made a Net Profit of Rs. 82.81 Lacs against Net Loss of Rs. 424.80 Lacs in the earlier year.

The company posted Loss before tax and exceptional and extraordinary items of Rs. 513.42 Lacs as against Rs. 523.66 Lacs in the previous year.

**Disclosure under Rule 8 (5) of Companies (Accounts) Rules, 2014:**

**Change in Nature of Company Business:**

The Company is engaged in the business of transportation, wind energy, trading of automotive parts and renting of immovable properties. There is no change in nature of Company Business.

**Details of Directors / Key Managerial Personnel Appointed / Resigned:**

No Directors / Key Managerial Personnel were appointed or have resigned during the year under the review.

**Details of Holding / Subsidiary Companies / Joint Ventures / Associate Companies:**

During the year under review, there was no holding / Subsidiary Company / Joint Ventures / Associate Companies were there.

**Deposit:**

The Company has not invited any deposit other than the exempted deposit as prescribed under the provision of the Companies Act, 2013 and the rules framed there under, as amended from time to time. Hence there are no particulars to report about the deposit falling under Rule 8 (5) (v) and (vi) of Companies (Accounts) Rules, 2014.

**Details of Significant and Material Orders passed by Regulators or Courts or Tribunals:**

During the year under review there were no significant and material orders passed by any Regulators or Court or Tribunals which may have impact on the going concern status. No order has been passed by any Regulators or Court or Tribunals which may have impact on the Company's operation in future.

**Internal Financial Controls:**

The Company has adequate internal financial controls to support the preparation of the financial statements.

**INSURANCE:**

The properties of the Company stand adequately insured against risks of fire, strike, riot, earthquake, explosion and malicious damage.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

As required under the provisions of Section 134 of the Act, your Directors report that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable 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 Loss of the Company for that period.
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The Directors have prepared the annual accounts on a going concern basis.

- (e) The Directors have laid down internal financial controls as required by Explanation to Section 134(5) (e) of the Act to be followed by the Company and such internal financial controls are adequate and are operating effectively.

***However the Statutory Auditors in their report have mentioned that the company did not have internal control system for loan & advances and Guarantee with regard to identification and assessment of credit worthiness. Further the internal control system regarding measures adopted for recovery is not adequate. These could potentially result in material misstatements in company's net worth and loans & advance balances.***

- (f) The Directors have devised proper systems to ensure compliance with the provisions of applicable laws and such systems are adequate and operating effectively.

#### **PARTICULARS OF EMPLOYEES:**

There was no employee drawing remuneration requiring disclosure under the Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **LISTING:**

The Equity Shares of the Company are listed on Bombay Stock exchange. and Calcutta Stock Exchange. The Company is regular in payment of listing fees. The Company has paid the listing fees for the year 2017 – 2018. Ahmedabad Stock Exchange has been derecognized.

#### **AUDITORS AND AUDITORS REPORT:**

The Auditors M/s. Paresh Thothawala & Co. Chartered Accountants, Ahmadabad hold office until the conclusion of the ensuing Annual General Meeting and have expressed their willingness to be reappointed. The Company has received a letter from a member of the Company proposing the name of M/s. Paresh Thothawala & co., Chartered Accountants as Statutory Auditors of the Company. Members of the Company at the 25<sup>th</sup>Annual General Meeting of the Company have appointed M/s. Paresh Thothawala & co. Chartered Accountants as auditors of the Company upto 30<sup>th</sup> Annual General Meeting of the Company. In accordance with the provision of Section 139 of the Companies Act, 2013 members are requested to ratify the appointment of the auditors for the balance term to hold office from the conclusion of the 28<sup>th</sup>Annual General Meeting until the conclusion of the 30<sup>th</sup> Annual General Meeting, subject to ratification at each annual general meeting on such remuneration as may be fixed by the Board, apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit

The Company has received a certificate from the Auditors to the effect that their appointment if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013

The auditors observations and its reply are as under :

Basis for Qualified Opinion

- ***Note No. 10.2 and 11 regarding physical possession and selling of Land & Building taken by Punjab and Sind Bank.***
- ***Note No. 10.1 and 30.1 for Demand Notice issued by UCO Bank and J&K bank by virtue of which some fixed assets details of which are given in detailed note of fixed assets have been symbolically possessed by the bank.***

Reply to both the above Qualifications : In reply to the above mentioned point of qualified opinion raised by the Statutory Auditors of the Company in their Independent Auditors' Report it is stated that the attachment of properties by the Bank is a legal process and the Company is taking all legal steps to protect the property. Further the Company is taking all steps to make the settlement of the matter and the Company is actively undertaking the settlement matter with the Banks. Further the Company is also making all its efforts to repay the debt and to release the property.

- ***Reference is invited Note No. 30.2 to the financial statements regarding corporate guarantee given by the company for credit facilities to Fairdeal Supplies Limited, a group company, and non-compliance of Section 295 of the companies Act, 1956.***

In reply to the above mentioned qualification of the Independent Auditors' Report the Board of Directors hereby replies that the Company at the time when M/s. Fairdeal Supplies Limited, a Group concern of the Company obtained the loan from the Banks, the financial conditions and other prospects of M/s. Fairdeal Supplies Limited were excellent. The Board of Directors of the Company did not forecast that loan availed by M/s. Fairdeal Supplies Limited will be defaulted. The Bankers of M/s. Fairdeal Supplies Limited have stipulated condition to give the collateral and guarantee for the facilities to be availed by the Fairdeal Supplies Limited.

- The Board of Directors of the Company would further like to state that it has already filed necessary petition before the respective authorities for compounding the matter.
- **Reference is invited Note No. 13.2 to the financial statements, according to which an amount of Rs. 5,96,57,498/- (Previous year Rs. Rs.6,50,56,579/-) is outstanding which has been given to M/s. Gateway Commodities (P) Ltd. as loans & advances. The management has explained that such advances have been given in the normal course of business. As per information made available to us and explanation given Rs. 53,99,081 (previous year Rs. 35,98,000) have been recovered / adjusted during the current financial year. The management, based on internal assessments and evaluations, have represented that the balance outstanding advances are still recoverable/ adjustable and that no accrual for diminution of advances is necessary as at balance sheet date. The management has further represented that as significant amounts have been recovered/adjusted during the previous and current financial year and since constructive and sincere efforts are being put in for recovery of the said advances, they are confident of appropriately adjusting / recovering significant portions of the remaining outstanding balance of such amounts in the foreseeable future. However, we are unable to ascertain whether all the remaining outstanding advances, as above, are fully recoverable / adjustable since the outstanding balances as at balance sheet date are outstanding for a long period of time, and further that, neither the amount recovered nor interest provided on such long outstanding amounts in the current year, consequently, we are unable to ascertain whether all of the remaining balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these remaining advances are subsequently determined to be doubtful of recovery.**

Reply to the above mentioned qualification : The Company is in the process of making recovery of trade receivables and loans and advances. The Company is exploring all legal options for the same. It could be seen from the qualification itself that there is a reduction in the outstanding amount.

Qualification as Reported in Annexure II of the Auditors Report :

- a) **The company did not have internal control system for loan & advances and Guarantee with regard to identification and assessment of credit worthiness. Further the internal control system regarding measures adopted for recovery is not adequate. These could potentially result in material misstatements in company's net worth and loans & advance balances.**

The above remarks made by the auditors is self explanatory. The Board of Directors of the Company propose to appoint a competent agency with regard to identification and assessment of credit worthiness before any loan or advance or guarantee is granted. The Company is in the process of recruiting skilled manpower for internal controls. However the Company cannot afford to pay higher remuneration for the recruitment of skilled manpower.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORBTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The details in respect of the conservation of energy, technology absorption and foreign exchange earnings and outgo are more detailed in the Annexure I to the Directors Report.

#### **CORPORATE GOVERNANCE:**

Pursuant to SEBI ( Listing Obligations and Disclosure Requirements ) Regulations, 2015 Management Discussion & Analysis, Corporate Governance Report and Auditor's Certificate regarding compliance to

conditions of corporate governance are made part of this Annual Report. The Management Discussion and Analysis which is attached herewith and forms part of the report and which is attached as Annexure VII and the Corporate Governance Report which is attached herewith and forms part of the report and which is attached as Annexure VIII.

### **Related Party Transactions**

All related party transactions that were entered into during the year under report were on an arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company during the year. Related Party Transactions Policy is available on the website of the Company at [www.frontlinecorporation.org](http://www.frontlinecorporation.org). The details of transactions with the related party is provided in . No advance is / was paid for entering into related party transactions. The prices paid to the related party transactions are based on the ruling market rate at the relevant point of time. The requisite details in form AOC – 2 is attached herewith as **Annexure - II** which forms part of the Directors Report

### **Investor Education and Protection Fund :**

No amount or Shares were required to be transferred to the Investor Education and Protection Fund.

Employees Stock Option and Employees Stock Purchase Scheme :

There is no Employee Stock Option Scheme. Further there is no Employee Purchase Scheme in the Company.

### **Particulars of Loans / Guarantees / Investment:**

The details of the loans provided are mentioned in note no. 13 and 18 of the Balance Sheet. Members are requested to refer the same. Further with respect to loans / investment to and from the related parties are more detailed in note no. 33 of the Balance Sheet.

The Company has provided its Security and also provided its Corporate Guarantee for the loan availed by M/s. Fairdeal Supplies Limited for Rs. 318 Crores. The Security / Corporate Guarantee was provided under the erstwhile Companies Act, 1956 which is continuing till date.

### **Code for Prevention of Insider Trading Practices**

The Company has instituted a comprehensive code of conduct in compliance with the SEBI regulations on prevention of insider trading. The code lays down guidelines, which advise on procedures to be followed and disclosures to be made, while dealing in shares of the Company and cautions on the consequences of non-compliances. The Code is also available on the website of the Company i.e. [www.frontlinecorporation.org](http://www.frontlinecorporation.org)

### **Risk Management Policy**

The Company has a structured risk management policy. The Risk management process is designed to safeguard the organisation from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The potential risks are inventoried and integrated with the management process such that they receive the necessary consideration during decision making. It is dealt with in greater details in the management discussion and analysis section. The Risk Management Policy is also available on the Company's website at [www.frontlinecorporation.org](http://www.frontlinecorporation.org)

### **Declaration by Independent Directors:**

The following Directors are independent in terms of Section 149(6) of the Act and SEBI ( Listing Obligations and Disclosure Requirements ) Regulations, 2015 :

- (A) Shri Virendra Sharma
- (B) Shri Jiwraj Khaitan
- (C) Shri Sital Kumar Banerjee
- (D) Ms. Aarefa Oanali Dudhwala

The Company has received requisite declarations/ confirmations from all the above Directors confirming their independence.

**Extract of the Annual Return**

Pursuant to provision of Section 92 and 134 and other applicable provision of the Companies Act, 2013 and of Rule 12 (1) of Companies (Management and Administration) Rules, 2014 the extract of the annual return in form MGT 9 for the Financial Year ended on 31st March, 2017 is annexed as Annexure III to this Report.

**Number of Board Meetings**

During the year the Board of Directors met 8 times. The dates of the Board meetings are as under : 01/04/2016, 09/05/2016, 30/05/2016, 31/05/2016, 13/08/2016, 19/08/2016, 14/11/2016 and 14/02/2017.

**Corporate Social Responsibility:**

The Company is not covered under the criteria of the provision of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, and therefore it is not mandatory for the Company to have the Corporate Social Responsibility.

**Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place an Anti-harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee are set up at shop floor level to redress complaints received regularly and are monitored by women line supervisors who directly report to the Chairman. All employees (permanent, contractual, temporary, trainees) are covered under the policy. There was no complaint received from any employee during the financial year 2016-17 and hence no complaint is outstanding as on 31.03.2017 for redressal.

**SECRETARIAL STANDARDS:**

The Company has complied with the mandatory Secretarial Standards issued pursuant to Section 110 of the Companies Act, 2013.

**SECRETARIAL AUDIT REPORT:**

Pursuant to Section 204 of the Act, the Secretarial Audit Report for the Financial Year ended 31st March, 2017 given by M/s. Jalan Alkesh & Associates, Practising Company Secretary is annexed as Annexure IV to this Report.

The Qualifications made by the Secretarial Auditor and its reply is as under :

- a) Delayed filing of certain forms with the Ministry of Corporate Affairs required under the Companies Act, 2013. However for late filing of forms the Company has paid additional fees.  
Reply : The Company will take the necessary steps to ensure the due compliance of the law in time so that the Company do not have to pay additional fees for the same.
- b) The Company has given Security / Guarantee to the Bankers for the loans obtained by M/s. Fairdeal Supplies Limited in violation of erstwhile Companies Act, 1956 which is still continuing.  
Reply : The same is given in the auditors and auditors report herein above.
- c) Further with respect to the advances to M/s. Gateway Commodities Pvt. Ltd. we request the members to refer the Balance Sheet and the Statutory Auditors Report remarks. The advances to M/s. Gateway Commodities Private Limited were given under the erstwhile Companies Act, 1956.  
Reply : The same is given in the auditors and auditors report herein above.
- d) The quarter and year end results were required to be submitted to the exchange latest by 30<sup>th</sup> May, 2017. As per the intimation given by the Company to BSE the results were to be declared has scheduled the Board meeting on 30<sup>th</sup> March, 2017. However the Board meeting could not be held on 30<sup>th</sup> May, 2017 due to quorum and therefore the same was held on 31<sup>st</sup> May, 2017. The BSE has imposed penalty for the same.  
Reply: The Company will take necessary steps to ensure that the listing compliances are done in time. Further the Company has replied to the exchange.



**ANNUAL PERFORMANCE EVALUATION:**

In compliance with the provisions of the Act and SEBI ( Listing Obligations and Disclosure Requirements ) Regulations, 2015 the performance evaluation was carried out as under:

**Board:**

In accordance with the criteria suggested by The Nomination and Remuneration Committee, the Board of Directors evaluated the performance of the Board, having regard to various criteria such as Board composition, Board processes, Board dynamics etc. The Independent Directors, at their separate meetings, also evaluated the performance of the Board as a whole based on various criteria. The Board and the Independent Directors were of the unanimous view that performance of the Board of Directors as a whole was satisfactory.

**Committees of the Board:**

The performance of the Audit Committee, the Nomination and Remuneration Committee and the Stakeholders Relationship Committee was evaluated by the Board having regard to various criteria such as committee composition, committee, processes, committee dynamics etc. The Board was of the unanimous view that all the committees were performing their functions satisfactorily and according to the mandate prescribed by the Board under the regulatory requirements including the provisions of the Act, the Rules framed thereunder and SEBI ( Listing Obligations and Disclosure Requirements ) Regulations, 2015.

**Individual Directors:**

- (a) **Independent Directors:** In accordance with the criteria suggested by The Nomination and Remuneration Committee, the performance of each independent director was evaluated by the entire Board of Directors (excluding the director being evaluated) on various parameters like engagement, leadership, analysis, decision making, communication, governance and interest of stakeholders. The Board was of the unanimous view that each independent director was a reputed professional and brought his/her rich experience to the deliberations of the Board. The Board also appreciated the contribution made by all the independent directors in guiding the management in achieving higher growth and concluded that continuance of each independent director on the Board will be in the interest of the Company.
- (b) **Non-Independent Directors:** The performance of each of the non-independent directors (including the chair person) was evaluated by the Independent Directors at their separate meeting. Further, their performance was also evaluated by the Board of Directors. The various criteria considered for the purpose of evaluation included leadership, engagement, transparency, analysis, decision making, functional knowledge, governance and interest of stakeholders. The Independent Directors and the Board were of the unanimous view that each of the non-independent directors was providing good business and people leadership

**POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION**

The requisite details as required by Section 134(3) (e), Section 178(3) & (4) and SEBI ( Listing Obligations and Disclosure Requirements ) Regulations, 2015 is attached herewith and forms part of the Directors Report. The details of the remuneration policy of the Company as required in terms of the SEBI ( Listing Obligations and Disclosure Requirements ) Regulations 2015 is provided in Annexure V to the Report.

The details in respect Disclosure under Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure VI of the Report.

**MATERIAL CHANGES AND COMMITMENTS:**

There are no material changes and commitments, if any, affecting the financial position of the Company subsequent to the date of the Balance sheet and up to the date of the report.

**APPRECIATION:**

Your Directors acknowledge the continued support and cooperation received from the Central Government, Shareholders, Banks and other Lenders, suppliers and Dealers.

The Board also wishes to record its sincere appreciation of the total commitment, dedication and hard work, put in by every member of Frontline Group.

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

Place : Ahmedabad  
Date : August 11, 2017

Sd/-  
**Narayan Prasad Agarwal**  
Director  
DIN : 00060384

Sd/-  
**Pawan K umar Agarwal**  
Managing Director  
DIN : 00060418

**ANNEXURE I**  
**TO THE DIRECTORS' REPORT**

Information as required under Section 134 (m) read with Rule 8 of Companies (Accounts) Rules, 2014

**A. Conservation of Energy :**

| <b>Power &amp; Fuel Consumption :</b> | <b>Current Year</b> | <b>Previous Year</b> |
|---------------------------------------|---------------------|----------------------|
| <b>Electricity:</b>                   | <b>2016-17</b>      | <b>2015-16</b>       |
| <b>i) Purchased:</b>                  |                     |                      |
| (a) Units                             |                     |                      |
| (b) Amount(' in Lacs)                 | <b>NIL</b>          | NIL                  |
| (c) Units/per litre of Diesel Oil     | <b>NIL</b>          | NIL                  |
| (d) Cost per unit (')                 | <b>NIL</b>          | NIL                  |
| <b>ii) Own Generation:</b>            |                     |                      |
| (a) Units                             | <b>NIL</b>          | NIL                  |
| (b) Amount (' in Lacs)                | <b>NIL</b>          | NIL                  |
| (c) Units/per litre of Diesel Oil     | <b>NIL</b>          | NIL                  |
| (d) Cost per unit (')                 | <b>NIL</b>          | NIL                  |
| <b>iii) Gas Consumption</b>           | <b>NIL</b>          | NIL                  |

**Wind Mill Generation :**

During the year under review, the Company has generated 3535357 units (Previous Year : 2294082) through wind mill through which it has generated net revenue of Rs. 184.85 Lacs/- (Previous Year : 128.70 Lacs.)

**Energy Conservation measures taken:**

There is no manufacturing activity in the Company. However to the best possible the Company is making effort to conserve the consumption of energy by minimizing the wastage of electricity.

**Additional Investments and proposals being implemented for reduction of consumption of Energy:**  
Nil.

**Impact of above measures:**

More efficient utilization of power and reduction in energy consumption.

**Total energy consumption and energy consumption per unit of production:**

Not Applicable or the particulars are nil.

**B. Research & Development:**

The Company has no specific Research & Development Department. Further the Company is not engaged in the manufacturing activity and hence the particulars of research and development are either nil or not applicable.

**C. Foreign Exchange Earnings and Expenditure:**

**Activities relating to export, initiative taken to increase exports development of new export markets for products and services, and export plans :** Not Applicable or the particulars are nil.

**Total foreign exchange used and earned:**

| <b>Particulars</b>             | <b>Amount in Foreign Currency</b> | <b>Amount</b>                        |
|--------------------------------|-----------------------------------|--------------------------------------|
| Total Foreign Exchange earning | Nil<br>(Previous Nil)             | Rs. Nil<br>Previous Year Rs. Nil/-   |
| Total Foreign Exchange outgo   | Nil<br>(Previous Nil)             | Rs. Nil<br>(Previous Year Rs. Nil/-) |

Foreign Exchange Exposures not hedged at the close of the year :

| <b>Nature of Instrument</b>                                      | <b>As at 31st March, 2017</b> | <b>As at 31<sup>st</sup> March, 2016</b> |
|--|-------------------------------|--|
| I) Payables in US \$ ( Current Year . NIL, P.Y. \$ 4,41,088.89 ) | Nil                           | 2,92,58,706                              |

**Annexure II**  
**FORM NO. AOC 2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

| <b>SL. No.</b> | <b>Particulars</b>  | <b>Details of transactions</b>   |
|----------------|---|--|
| a)             | Name (s) of the related party & nature of relationship  | No transactions / contracts were entered which were not at arm's length. |
| b)             | Nature of contracts/arrangements/transaction  |  |
| c)             | Duration of the contracts/arrangements/transaction  |  |
| d)             | Salient terms of the contracts or arrangements or transaction including the value, if any                         |  |
| e)             | Justification for entering into such contracts or arrangements or transactions'                                   |  |
| f)             | Date(s) of approval by the Board  |  |
| g)             | Amount paid as advances, if any :   |  |
| h)             | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 |  |

2. Details of material contracts or arrangements or transactions at Arm's length basis.

| SL. No. | Particulars  | Details of transactions  |
|---------|--|--|
| a)      | Name (s) of the related party & nature of relation ship                                      | <p>The Company has entered into transaction with M/s. Fairdeal ( a partnership firm ) and M/s. Scientific Weigh Bridge and Auto Parts ( a partnership firm )</p> <p>The % of Profit and Loss Sharing ratio of the Partners in M/s. Fairdeal is 1) Ramprasad Agarwal - 34%, 2) Narayan Prasad Agarwal - 33%, 3) Mr. Pawankumar Agarwal - 17% and 4) Mrs. Hansaben Pawankumar Agarwal 16%.</p> <p>The % of Profit and Loss Sharing ratio of the Partners in . M/s. Scientific Weigh Bridge and Auto Parts is 1) Ms. Renudevi Jhunhunwala, wife of Director Mr. Ramprasad Agarwal - 32%, 2) Rewadevi Jhunhunwala, wife of Director Mr. Narayan Prasad Agarwal - 32% and 3) Hansaben Pawankumar Agarwal, wife of Director, Mr. Pawankumar Agarwal - 31% and 4) Mr. Pawankumar Agarwal - 5%.</p> <p>The Company also entered into rental agreements with M/s. Fairdeal Supplies Limited, Ramprasad Agrawal, Narayan Prasad Agrawal, Pawankumar Agrawal and Baijnath and Sons, HUF.</p> <p>In respect of the above entities Mr. Pawankumar Agarwal, Mr. Narayan Prasad Agarwal, Mr. Ramprasad Agarwal and Mr. Saurabh Jhunhunwala is / are interested directly and indirectly.</p> |
| b)      | Nature of contracts / Arrangements / Transaction   | <p>The Company has entered into transaction of sale of goods with M/s. Fairdeal ( a partnership firm ) and M/s. Scientific Weigh Bridge and Auto Parts ( a partnership firm ).</p> <p>The Company also took property on rent / lease from M/s. Fairdeal Supplies Limited, Ramprasad Agrawal, Narayan Prasad Agrawal, Pawankumar Agrawal and Baijnath and Sons, HUF.</p> <p>The Company also gave its property on rent / lease to and from M/s. Fairdeal Supplies Limited.</p>  |
| c)      | Duration of the Contracts/arrangements /transaction  | Normally the lease / rent agreement is for the period of 11 months and 29 days and on its expiry the same is renewed from time to time.  |
| d)      | Salient terms of the contracts or arrangemnetns or transaction including the value, if any : | To supply / purchase the goods / fixed assets required on need basis at arm's length. In respect of rental, the same is determined as per the rental agreement. The price is determined as per the prevailing market rate. The value of transactions with related parties is provided in the notes to the accounts. Members are requested to refer the same.   |
| e)      | Date of approval by the Board, if any :  | Not Applicable   |
| f)      | Amount paid as advances, if any :  | Nil  |

**Annexure III**

**Form No. MGT-9**

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2017

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

|             |   |  |
|-------------|---|--|
| <b>i.</b>   | CIN   | <b>L63090WB1989PLC099645</b>   |
| <b>ii.</b>  | RegistrationDate  | 04/12/1989   |
| <b>iii.</b> | Name of the Company   | FRONTLINE CORPORATION LIMITED  |
| <b>iv.</b>  | Category/Sub-Category of the Company                                      | Company Limited by Shares/Non-Govt. Indian Company   |
| <b>v.</b>   | Address of the Registered office and contact details                      | 4, B.B.D. BAG (EAST), STEPHEN HOUSE, ROOM NO - 5, 1ST FLOOR, KOLKATA. West Bengal-700001   |
| <b>vi.</b>  | Whether listed Company  | Yes  |
| <b>vii.</b> | Name, Address and Contact details of Registrar and Transfer Agent, if any | <b>Bigshare Services Private Limited,</b><br>A- 802 Samudra complex ,<br>Near Klassic Gold Hotel, Girish Cold Drink<br>off C G Road, Ahmedabad-380009. |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| <b>Sr. No.</b> | <b>Name and Description of main products/ services</b> | <b>NIC Code of the Product/ service</b> | <b>% to total turnover of the company</b> |
|----------------|--|---|---|
| <b>1</b>       | Transportation   | 60                                      | <b>29.65%</b>                             |
| <b>2</b>       | Trading in Automotive Parts                            | <b>51</b>                               | <b>61.89%</b>                             |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| <b>Sr. No.</b> | <b>Name and Address of The Company</b> | <b>CIN/GLN</b> | <b>Holding/ Subsidiary/ Associate</b> | <b>%of shares held</b> | <b>Applicable Section</b> |
|----------------|--|----------------|---------------------------------------|------------------------|---------------------------|
| NIL            |  |                |                                       |                        |                           |

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i. Category-wise Shareholding**

| Category of Shareholders  | No. of Shares held at the beginning of the year (01.04.16) |          |                |                   | No. of Shares held at the end of the year (31.03.2017) |          |                |                   | % Change during The year |
|---|--|----------|----------------|-------------------|--|----------|----------------|-------------------|--------------------------|
|   | Demat  | Physical | Total          | % of Total Shares | Demat  | Physical | Total          | % of Total Shares |                          |
| <b>A. Promoters</b>   |  |          |                |                   |  |          |                |                   |                          |
| <b>1) Indian</b>  |  |          |                |                   |  |          |                |                   |                          |
| a) Individual/ HUF  | 2184368  | -        | 2184368        | 43.69             | 1959454  | -        | 1959454        | 39.19             | -4.5                     |
| b) Central Govt.  | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| c) State Govt.(s)   | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| d) Bodies Corp  | 197200   | -        | 197200         | 3.94              | 197200   | -        | 197200         | 3.94              | 0                        |
| e) Banks / FI   |  |          |                |                   |  |          |                |                   |                          |
| f) Any Other  |  |          |                |                   |  |          |                |                   |                          |
| Sub-total(A)(1):-   | <b>2381568</b>   | <b>-</b> | <b>2381568</b> | <b>47.63</b>      | <b>2156654</b>   | <b>-</b> | <b>2156654</b> | <b>43.13</b>      | <b>-4.5</b>              |
| <b>2) Foreign</b>   | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| g) NRIs-Individuals   | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| h) Other-Individuals  | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| i) Bodies Corp.   | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| j) Banks / FI   | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| k) Any Other....  | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| Sub-total(A)(2):-   | <b>2381568</b>   | <b>-</b> | <b>2381568</b> | <b>47.63</b>      | <b>2156654</b>   | <b>-</b> | <b>2156654</b> | <b>43.13</b>      | <b>-4.5</b>              |
| <b>B. Public Shareholding</b>   |  |          |                |                   |  |          |                |                   |                          |
| <b>1. Institutions</b>  |  |          |                |                   |  |          |                |                   |                          |
| a) Mutual Funds   | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| b) Banks / FI   | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| c) Central Govt   | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| d) State Govt(s)  | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| e) Venture Capital Funds  | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| f) Insurance Companies  | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| g) FIIs   | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| h) Foreign Venture Capital Funds  | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| i) Others (specify)   | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| Sub-total(B)(1)   | -  | -        | -              | -                 | -  | -        | -              | -                 | -                        |
| <b>2. Non Institutions</b>  |  |          |                |                   |  |          |                |                   |                          |
| a) Bodies Corp.   | 308051   | 22100    | 330151         | 6.60              | 786200   | 22100    | 808300         | 16.17             | 9.57                     |
| (i) Indian  |  |          |                |                   |  |          |                |                   |                          |
| (ii) Overseas   |  |          |                |                   |  |          |                |                   |                          |
| b) Individuals  |  |          |                |                   |  |          |                |                   |                          |
| (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh         | 217616   | 352800   | 570416         | 11.41             | 219152   | 351600   | 570752         | 11.41             | 0                        |
| (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 1205116  | 511422   | 1716538        | 34.33             | 511422   | 951499   | 1462921        | 29.25             | -5.07                    |

| Category of Shareholders                      | No. of Shares held at the beginning of the year (01.4.16) |               |                |                   | No. of Shares held at the end of the year (31.03.2017) |               |                |                   | % Change during the year |
|---|---|---------------|----------------|-------------------|--|---------------|----------------|-------------------|--------------------------|
|   | Demat   | Physical      | Total          | % of Total Shares | Demat  | Physical      | Total          | % of Total Shares |                          |
| c) Others(Specify Clearing Members and NRI's) | 1327  | -             | 1327           | 0.03              | 1373   | -             | 1373           | 0.03              | 0                        |
| Sub-total(B)(2)                               | <b>1732110</b>  | <b>886322</b> | <b>2618432</b> | <b>52.37</b>      | <b>1958224</b>   | <b>885122</b> | <b>2843346</b> | <b>56.86</b>      | <b>0</b>                 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2)  | <b>1732110</b>  | <b>886322</b> | <b>2618432</b> | <b>52.37</b>      | <b>1958224</b>   | <b>885122</b> | <b>2843346</b> | <b>56.86</b>      | <b>0</b>                 |
| C. Shares held by Custodian for GDRs &ADRs    | -   | -             | -              | -                 | -  | -             | -              | -                 | -                        |
| Grand Total (A+B+C)                           | <b>4113678</b>  | <b>886322</b> | <b>5000000</b> | <b>100.00</b>     | <b>4113078</b>   | <b>886922</b> | <b>5000000</b> | <b>100.00</b>     | <b>-</b>                 |

**ii. Shareholding of Promoters**

| Sr. No. | Shareholder's Name               | Shareholding at the beginning of the year |                                 |   | Shareholding at the end of the year |                                 |   | % change in Share holding during the year |
|---------|----------------------------------|---|---------------------------------|---|-------------------------------------|---------------------------------|---|---|
|         |                                  | No. of Shares                             | % of total Share of the Company | % of Shares Pledged/ encumbered to total shares | No. of Shares                       | % of total Share of the Company | % of Shares Pledged/ encumbered to total shares |   |
| 1.      | Ram Prasad Agarwala              | 388722                                    | 7.77                            | -   | 388722                              | 7.77                            | -   | -   |
| 2.      | Rewa Devi Jhunjhunwala           | 251400                                    | 5.03                            | -   | 26486                               | 0.52                            | -   | -4.51                                     |
| 3.      | Ram Prasad Agarwala (HUF)        | 234900                                    | 4.70                            | -   | 234900                              | 4.70                            | -   | -   |
| 4.      | Gaurav Jhunjhunwala              | 194040                                    | 3.88                            | -   | 194040                              | 3.88                            | -   | -   |
| 5.      | Hansa Agarwal                    | 171000                                    | 3.42                            | -   | 171000                              | 3.42                            | -   | -   |
| 6.      | Falgun Export Private Limited    | 161900                                    | 3.24                            | -   | 161900                              | 3.24                            | -   | -   |
| 7.      | Narayan Prasad Agarwala          | 145800                                    | 2.92                            | -   | 145800                              | 2.92                            | -   | -   |
| 8.      | Bhagwani Devi Agarwala           | 138900                                    | 2.78                            | -   | 138900                              | 2.78                            | -   | -   |
| 9.      | Mr. Pawan Kumar Agarwal          | 250266                                    | 5.00                            | -   | 250266                              | 5.00                            | -   | -   |
| 10.     | Manju Choudhury                  | 124900                                    | 2.50                            | -   | 124900                              | 2.50                            | -   | -   |
| 11.     | Saurabh Jhunjhunwala             | 105440                                    | 2.11                            | -   | 105440                              | 2.11                            | -   | -   |
| 12.     | Renu Devi Jhunjhunwala           | 91500                                     | 1.83                            | -   | 91500                               | 1.83                            | -   | -   |
| 13.     | Narayan Prasad Agarwala (HUF)    | 38900                                     | 0.78                            | -   | 38900                               | 0.78                            | -   | -   |
| 14.     | Prima Financial Services Limited | 35300                                     | 0.71                            | -   | 35300                               | 0.71                            | -   | -   |
| 15.     | Mukund Jhunjhunwala              | 23800                                     | 0.48                            | -   | 23800                               | 0.48                            | -   | -   |
| 16.     | Lalitadevi Shyamsunder Murarka   | 18700                                     | 0.37                            | -   | 18700                               | 0.37                            | -   | -   |
| 17.     | Shilpi Jhunjhunwala              | 5100                                      | 0.10                            | -   | 5100                                | 0.10                            | -   | -   |
| 18.     | Raja Jhunjhunwala                | 1000                                      | 0.02                            | -   | 1000                                | 0.02                            | -   | -   |
|         | <b>Total</b>                     | <b>2381568</b>                            | <b>47.64</b>                    | <b>-</b>  | <b>2156654</b>                      | <b>43.13</b>                    | <b>-</b>  | <b>-4.51</b>                              |



**iii. Change in Promoters Shareholding ( please specify, if there is no change )**

| Sr. No. |  | Shareholding at the beginning of the year (01.04.2016) |                                  | Cumulative Shareholding during the year (31.03.2017) |                                  |
|---------|--|--|----------------------------------|--|----------------------------------|
|         |  | No. of shares  | % of total shares of the company | No. of shares  | % of total shares of the company |
| 1       | Narayan Prasad Agarwala, HUF   |  |                                  |  |                                  |
|         | At the beginning of the year   | 38900  | 0.78                             | 38900  | 0.78                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):                    | 0  | 0                                | 0  | 0                                |
|         | At the End of the year   | 38900  | 0.78                             | 38900  | 0.78                             |
| 2       | Rewa Devi Jhunjhunwala   |  |                                  |  |                                  |
|         | At the beginning of the year   | 251400   | 5.03                             | 251400   | 5.03                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Transfer 18.1.2017 | 224914   | 4.51                             | 26486  | 0.52                             |
|         | At the End of the year   | 251400   | 5.03                             | 26486  | 0.52                             |
| 3       | Ram Prasad Agarwala  |  |                                  |  |                                  |
|         | At the beginning of the year   | 388722   | 7.77                             | 388722   | 7.77                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):                    | 0  | 0                                | 0  | 0                                |
|         | At the End of the year   | 388722   | 7.77                             | 388722   | 7.77                             |
| 4       | Ram Prasad Agarwala, HUF   |  |                                  |  |                                  |
|         | At the beginning of the year   | 234900   | 4.70                             | 234900   | 4.70                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):                    | 0  | 0                                | 0  | 0                                |
|         | At the End of the year   | 234900   | 4.70                             | 234900   | 4.70                             |
| 5       | Gaurav Jhunjhunwala  |  |                                  |  |                                  |
|         | At the beginning of the year   | 194040   | 3.88                             | 194040   | 3.88                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):                    | 0  | 0                                | 0  | 0                                |
|         | At the End of the year   | 194040   | 3.88                             | 194040   | 3.88                             |

| Sr. No. |   | Shareholding at the beginning of the year (01.04.2016) |                                  | Cumulative Shareholding during the year (31.03.2017) |                                  |
|---------|---|--|----------------------------------|--|----------------------------------|
|         |   | No. of shares  | % of total shares of the company | No. of shares  | % of total shares of the company |
| 6       | Hansa Agarwal   |  |                                  |  |                                  |
|         | At the beginning of the year  | 171000   | 3.42                             | 171000   | 3.42                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0  | 0                                | 0  | 0                                |
|         | At the End of the year  | 171000   | 3.42                             | 171000   | 3.42                             |
| 7       | Falgun Export Private Limited   |  |                                  |  |                                  |
|         | At the beginning of the year  | 161900   | 3.24                             | 161900   | 3.24                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0  | 0                                | 0  | 0                                |
|         | At the End of the year  | 161900   | 3.24                             | 161900   | 3.24                             |
| 8       | Narayan Prasad Agarwala   |  |                                  |  |                                  |
|         | At the beginning of the year  | 145800   | 2.92                             | 145800   | 2.92                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0  | 0                                | 0  | 0                                |
|         | At the End of the year  | 145800   | 2.92                             | 145800   | 2.92                             |
| 9       | Bhagwani Devi Agarwala  |  |                                  |  |                                  |
|         | At the beginning of the year  | 138900   | 2.78                             | 138900   | 2.78                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0  | 0                                | 0  | 0                                |
|         | At the End of the year  | 138900   | 2.78                             | 138900   | 2.78                             |
| 10      | Mr. Pawan Kumar Agarwal   |  |                                  |  |                                  |
|         | At the beginning of the year  | 250266   | 5.00                             | 250266   | 5.00                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0  | 0                                | 0  | 0                                |
|         | At the End of the year  | 250266   | 5.00                             | 250266   | 5.00                             |

| Sr. No. |   | Shareholding at the beginning of the year (01.04.2016) |                                  | Cumulative Shareholding during the year (31.03.2017) |                                  |
|---------|---|--|----------------------------------|--|----------------------------------|
|         |   | No. of shares  | % of total shares of the company | No. of shares  | % of total shares of the company |
| 11      | Manju Choudhury   |  |                                  |  |                                  |
|         | At the beginning of the year  | 124900   | 2.50                             | 124900   | 2.50                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0  | 0                                | 0  | 0                                |
|         | At the End of the year  | 124900   | 2.50                             | 124900   | 2.50                             |
| 12      | Saurabh Jhunjunwala   |  |                                  |  |                                  |
|         | At the beginning of the year  | 105440   | 2.11                             | 105440   | 2.11                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0  | 0                                | 0  | 0                                |
|         | At the End of the year  | 105440   | 2.11                             | 105440   | 2.11                             |
| 13      | Renu Devi Jhunjunwala   |  |                                  |  |                                  |
|         | At the beginning of the year  | 91500  | 1.83                             | 91500  | 1.83                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0  | 0                                | 0  | 0                                |
|         | At the End of the year  | 91500  | 1.83                             | 91500  | 1.83                             |
| 14      | Prima Financial Services Limited  |  |                                  |  |                                  |
|         | At the beginning of the year  | 35300  | 0.71                             | 35300  | 0.71                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0  | 0                                | 0  | 0                                |
|         | At the End of the year  | 35300  | 0.71                             | 35300  | 0.71                             |
| 15      | Mukund Jhunjunwala  |  |                                  |  |                                  |
|         | At the beginning of the year  | 23800  | 0.48                             | 23800  | 0.48                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0  | 0                                | 0  | 0                                |
|         | At the End of the year  | 23800  | 0.48                             | 23800  | 0.48                             |

| Sr. No. |   | Shareholding at the beginning of the year (01.04.2016) |                                  | Cumulative Shareholding during the year (31.03.2017) |                                  |
|---------|---|--|----------------------------------|--|----------------------------------|
|         |   | No. of shares  | % of total shares of the company | No. of shares  | % of total shares of the company |
| 16      | Lalitadevi Shyamsunder  |  |                                  |  |                                  |
|         | At the beginning of the year  | 18700  | 0.37                             | 18700  | 0.37                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0  | 0                                | 0  | 0                                |
|         | At the End of the year  | 18700  | 0.37                             | 18700  | 0.37                             |
| 17      | Shilpi Jhunjunwala  |  |                                  |  |                                  |
|         | At the beginning of the year  | 5100   | 0.10                             | 5100   | 0.10                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0  | 0                                | 0  | 0                                |
|         | At the End of the year  | 5100   | 0.10                             | 5100   | 0.10                             |
| 18      | Raja Jhunjunwala  |  |                                  |  |                                  |
|         | At the beginning of the year  | 1000   | 0.02                             | 1000   | 0.02                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):  | 0  | 0                                | 0  | 0                                |
|         | At the End of the year  | 1000   | 0.02                             | 1000   | 0.02                             |

**(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters )**

| Sr. No. |  | Shareholding at the beginning of the year (01.04.2016) |                   | Shareholding at the end of the year (31.03.2017) |                   |
|---------|--|--|-------------------|--|-------------------|
|         |  | No. of shares of the company                           | % of total shares | No. of shares of the company                     | % of total shares |
|         | For Each of the Top 10 Shareholders                      |  |                   |  |                   |
| 1       | Chinniyar C  | 380000   | 7.60              | 466982   | 9.33              |
| 2       | Ramalakshmi Rotar Spinning And Exporting Company Pvt Ltd | 280000   | 5.60              | 533605   | 10.67             |
| 3       | S Balaji   | 280000   | 5.60              | 311413   | 6.22              |
| 4       | R Thangavelu   | 279000   | 5.58              | 0.00   | 0.00              |
| 5       | Radhika Choudhary  | 199920   | 4.00              | 199920   | 4.00              |
| 6       | Jagriti Choudhary  | 138302   | 2.77              | 138302   | 2.77              |
| 7       | Shivam Choudhary   | 125000   | 2.50              | 125000   | 2.50              |
| 8       | Karuppannagounder Subramaniam                            | 93000  | 1.86              | 93000  | 1.86              |
| 9       | Purbi Shridhar   | 62016  | 1.24              | 62016  | 1.24              |
| 10      | Deepak Kapoor  | 30000  | 0.600             | 30000  | 0.600             |
| 11      | GEM Edible Oils Private Limited                          | 0  | 0                 | 224914   | 4.49              |

**(v) Shareholding of Directors and Key Managerial personnel (other than Promoters) :**

| Sr. No. | For Each of the Directors & KMP                  | Shareholding at the beginning of the year |                                  | Shareholding at the end of the year |                                  |
|---------|--|---|----------------------------------|-------------------------------------|----------------------------------|
|         |  | No. of shares                             | % of total shares of the Company | No. of shares                       | % of total shares of the company |
| 1       | Mr. Ram Prasad Agarwal (Director)                | 783622                                    | 15.67                            | 783622                              | 15.67                            |
| 2       | Mr. Narayan Prasad Agarwal (Director)            | 404700                                    | 8.09                             | 404700                              | 8.09                             |
| 3       | Mr. Pawan Kumar Agarwal (Managing Director)      | 343266                                    | 6.87                             | 343266                              | 6.87                             |
| 4       | Mr. Saurabh Jhunjhunwala (Director)              | 105440                                    | 2.11                             | 105440                              | 2.11                             |
| 5       | Mr. Sital Kumar Banerjee                         | 0   | 0                                | 0                                   | 0                                |
| 6       | Mr. Jiwraj Khaitan                               | 0   | 0                                | 0                                   | 0                                |
| 7       | Mr. Virendra Sharma                              | 0   | 0                                | 0                                   | 0                                |
| 8       | Ms. Aarifa Dudhwala                              | 0   | 0                                | 0                                   | 0                                |
| 9       | Mr. Roshanlal Shaklani (Chief Financial Officer) | 0   | 0                                | 0                                   | 0                                |
| 10      | Mr. Suresh Verma (Company Secretary)             | 0   | 0                                | 0                                   | 0                                |

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding /accrued but not due for payment

| Particulars   | Secured Loans excluding deposits (In Rs.) | Unsecured Loans (In Rs.) | Deposits (In Rs.) | Total Indebtedness (In Rs.) |
|---|---|--------------------------|-------------------|-----------------------------|
| Indebtedness at the beginning of the financial year |   |                          |                   |                             |
| i) Principal Amount                                 | 385760428                                 | 8119286                  | 0                 | 393879714                   |
| ii) Interest due but not paid                       | 118147680                                 | 0                        | 0                 | 118147680                   |
| iii) Interest accrued but not due                   | 0   | 0                        | 0                 | 0                           |
| Total (i+ii+iii)                                    | 503908108                                 | 8119286                  | 0                 | 512027394                   |
| Change in Indebtedness during the financial year    |   |                          |                   |                             |
| - Addition  | 0   | 0                        | 0                 | 0                           |
| - Reduction   | 2905185                                   | 2593511                  | 0                 | 5498696                     |
| Net Change  |   |                          |                   |                             |
| Indebtedness at the close of the financial year     |   |                          |                   |                             |
| i) Principal Amount                                 | 370412500                                 | 5525775                  | 0                 | 375938275                   |
| ii) Interest due but not paid                       | 130590423                                 | 0                        | 0                 | 130590423                   |
| iii) Interest accrued but not due                   | 0   | 0                        | 0                 | 0                           |
| Total (i+ii+iii)                                    | 501002923                                 | 5525775                  | 0                 | 506528698                   |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and / or Manager**

| Sr. No. | Particulars of Remuneration  | Name of Managing Director/<br>Whole-Time Director |   | Total Amount |
|---------|--|---|---|--------------|
|         |  | Pawankumar Agrawal                                |   |              |
| 1       | Gross salary   | Nil   |   | Nil          |
| a       | Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961 | -   | - | -            |
| b       | Value of perquisites u/s 17(2) Income-tax Act, 1961                              | -   | - | -            |
| c       | Profits in lieu of salary under Section 17 (3) Income-tax Act, 1961              | -   | - | -            |
| 2       | Stock Option   | -   | - | -            |
| 3       | Sweat Equity   | -   | - | -            |
| 4       | Commission<br>- as % of profit<br>- others, specify...                           | -   | - | -            |
| 5       | Others, please specify   | -   | - | -            |
|         | Total(A)   | -   | - | -            |
|         | Ceiling as per the Act   | -   | - | -            |

**B. Remuneration to other Directors:**

| Sr. No. | Particulars of Remuneration                  | Name of Director / Manager                                   |      | Total Amount |
|---------|--|--|------|--------------|
|         | Independent Directors                        | No remuneration was paid to any of the Independent Director  |      |              |
|         | Fee for attending Board / Committee Meetings | -  | -    | -            |
|         | Commission                                   | -  | -    | -            |
|         | Others – Please specify                      | -  | -    | -            |
|         | Total B ( 1 )                                | -  | -    | -            |
|         | Other Non Executive Directors                | No remuneration was paid to any other Non Executive Director |      |              |
|         | Fee for attending Board / Committee Meetings | -  | -    | -            |
|         | Commission                                   | -  | -    | -            |
|         | Others – Please specify<br>[ Salary ]        | -  | -    | -            |
|         | Total B ( 2 )                                | -  | -    | -            |
|         | Total B ( 1 + 2 )                            | -  | -    | -            |
|         | Overall Ceilings as per Act                  | N.A.   | N.A. | N.A.         |

**C. Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD**

| Sr. No.         | Particulars of Remuneration  | CEO | Chief Financial Officer   | Company Secretary         | Total Amount in Rs. |
|-----------------|--|-----|---------------------------|---------------------------|---------------------|
|                 |  |     | (Shri Roshan Lal Saklani) | (Shri Suresh Kumar Verma) |                     |
| (Amount in Rs.) |  |     |                           |                           |                     |
| 1               | Gross salary   | -   | 4,97,033                  | 11,93,318                 | 16,90,351           |
| a               | Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961 | -   | 4,97,033                  | 10,42,755                 | 15,39,788           |
| b               | Value of perquisites u/s 17(2) Income-tax Act, 1961                              | -   | -                         | 1,50,563                  | 1,50,563            |
| c               | Profits in lieu of salary under Section 17 (3) Income-tax Act, 1961              | -   | -                         | -                         | -                   |
| 2               | Stock Option   | -   | -                         | -                         | -                   |
| 3               | Sweat Equity   | -   | -                         | -                         | -                   |
| 4               | Commission   | -   | -                         | -                         | -                   |
|                 | - as % of profit   | -   | -                         | -                         | -                   |
|                 | - Others, specify...   | -   | -                         | -                         | -                   |
| 5               | Others, please specify   | -   | -                         | -                         | -                   |
|                 | Total (C)  | -   | 4,97,033                  | 11,93,318                 | 16,90,351           |

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/Court] | Appeal made. If any (give details) |
|-------------------------------------|------------------------------|-------------------|---|-----------------------------|------------------------------------|
| <b>A. Company</b>                   |                              |                   |   |                             |                                    |
| Penalty                             |                              |                   | NIL   |                             |                                    |
| Punishment                          |                              |                   | NIL   |                             |                                    |
| Compounding                         |                              |                   |   |                             |                                    |
| <b>B. Directors</b>                 |                              |                   |   |                             |                                    |
| Penalty                             |                              |                   | NIL   |                             |                                    |
| Punishment                          |                              |                   | NIL   |                             |                                    |
| Compounding                         |                              |                   |   |                             |                                    |
| <b>C. Other Officers In Default</b> |                              |                   |   |                             |                                    |
| Penalty                             |                              |                   | NIL   |                             |                                    |
| Punishment                          |                              |                   | NIL   |                             |                                    |
| Compounding                         |                              |                   |   |                             |                                    |

**Annexure IV**

**Form No. MR-3 For the financial year ended on 31st March, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

**Frontline Corporation Limited**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Frontline Corporation Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Frontline Corporation Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements ) Regulations 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - Not Applicable
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not Applicable.
  - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 – Not Applicable.

And in general, the Company has systems, process and procedure for the compliance of Other Laws Applicable to the Company.



The Electricity Act, 2003

National Tariff Policy

Motor Vehicles Act, 1988

The Motor Transport Workers Act, 1961

The Air ( Prevention and Control of Pollution) Act, 1981

Employees State Insurance Act

Employees Provident Fund Act

Service Tax Act, 1944

Income Tax Act, 1961

Gujarat Value Added Tax Act, 2003

West Bengal Value Added Tax Act

Central Sales Tax Act,1957

Professional Tax Act

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI ( Listing Obligations and Disclosure Requirements ) Regulations, 2015 applicable to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, guidelines, standards etc mentioned above subject to the following:

- A) ***Delayed filing of certain forms with the Ministry of Corporate Affairs required under the Companies Act, 2013. However for late filing of forms the Company has paid additional fees.***
- B) ***The Company has given Security / Guarantee to the Bankers for the loans obtained by M/s. Fairdeal Supplies Limited in violation of erstwhile Companies Act, 1956 which is still continuing.***
- C) ***Further with respect to the advances to M/s. Gateway Commodities Pvt. Ltd. we request the members to refer the Balance Sheet and the Statutory Auditors Report remarks. The advances to M/s. Gateway Commodities Private Limited were given under the erstwhile Companies Act, 1956.***
- D) ***The quarter and year end results were required to be submitted to the exchange latest by 30th May, 2017. As per the intimation given by the Company to BSE the results were to be declared has scheduled the Board meeting on 30th March, 2017. However the Board meeting could not be held on 30th May, 2017 due to quorum and therefore the same was held on 31st May, 2017. The BSE has imposed penalty for the same.***

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of :

- (i) Public/Rights/Preferential issue of Shares/debentures/ sweat equity of the Company.
- (ii) Redemption/buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger/ amalgamation/ reconstruction etc.
- (v) Foreign technical collaborations.

For, **JALAN ALKESH & ASSOCIATES**  
**COMPANY SECRETARIES**

Date: 11<sup>th</sup> August, 2017  
Place: Ahmedabad

SD/-

**ALKESH JALAN**  
**PROPRIETOR**

**'Annexure A'**

To,

The Members  
Frontline Corporation Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company.  
Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For, **JALAN ALKESH & ASSOCIATES**  
**COMPANY SECRETARIES**

Date: 11<sup>th</sup> August, 2017  
Place: Ahmedabad

Sd/-

**ALKESH JALAN**  
**PROPRIETOR**

**ANNEXURE V**

**REMUNERATION POLICY:**

In accordance with the provisions of Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee recommended the following remuneration policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees, which was approved and adopted by the Board.

**I. PREAMBLE:**

This Remuneration Policy is formulated in compliance with Section 178 of the Companies Act, 2013, read with the applicable Rules thereto and SEBI ( Listing Obligations and Disclosure Requirements ) Regulations, 2015 entered into by the Company as amended from time to time. This Policy has been formulated by the Nomination and Remuneration Committee (NRC) and has been approved by the Board of Directors based on the recommendations of the NRC..

**II. OBJECTIVE:**

The objective of the Policy is to ensure that:

- i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

**III. COMPLIANCE WITH APPLICABLE LAWS:**

The procedure and limits for payment of remuneration under this policy shall be in accordance with provisions of (a) the Companies Act, 2013 read with Rules framed thereunder, (b) Listing Agreement with Stock Exchanges, (c) Articles of Association of the Company and (d) any other applicable law or regulations. In the absence of any of the above provisions, the procedure and limits shall be governed by the prevailing HR Policy of the Company.

**IV. REMUNERATION TO NON-EXECUTIVE DIRECTORS:**

- (i) Sitting fees within the limits prescribed under the Companies Act, 2013 and rules framed thereunder for attending meetings of the Board and Committees thereof
- (ii) Commission up to 1% of net profit as may be decided by the Board
- (iii) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.

**V. REMUNERATION TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:**

**i) Components:**

Basic salary

Allowances

In kind (car, house, etc.)

Retirals

Reimbursements

Variable Pay

Stock Options

**ii) Factors for determining and changing remuneration:**

Factors:

Existing compensation

Qualification

Experience

Salary bands

Individual performance

Market benchmark

**iii) Variable incentive pay (including Stock Options)**

**Factors:**

| Individual Performance            | Business/Company Performance                                     |
|-----------------------------------|--|
| Grade                             | Return on Assets   |
| Performance Rating                | EBIDTA   |
| Comparative performance with KMPs | Operational Revenue (YOY/Budget)<br>Return on Investments<br>HSE |

Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals..

**VI. REMUNERATION TO OTHER EMPLOYEES:**

**Components:**

Basic Salary, Allowances, Retiral Benefits, such other perquisites and/or incentives and/or bonus and/ or Variable Incentive Pay (including ESOP) based on factors as above, as may be decided by the Management from time to time as per HR Policy.

**CRITERIA FOR IDENTIFICATION OF PERSONS FOR APPOINTMENT AS DIRECTORS AND IN SENIOR MANAGEMENT:**

In accordance with the provisions of Section 178(3) of the Act read with SEBI ( Listing Obligations and Disclosure Requirements ) Regulations, 2015 the Nomination and Remuneration Committee is required to formulate the criteria for determining qualifications, positive attributes and independence of a Director. The criteria adopted by the Nomination and Remuneration Committee for the aforesaid purpose are as under:

Criteria for determining qualifications, positive attributes and independence of a director:

**I. QUALIFICATIONS:**

- a) He / She should possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.
- (b) Such qualifications as may be prescribed under the Companies Act, 2013 read with rules framed thereunder and the Listing Agreement with Stock Exchanges.

**II. POSITIVE ATTRIBUTES:**

- a) He /She should be a person of integrity, with high ethical standard.
- (b) He /She should be able to commit to his/her responsibilities and devote sufficient time and attention to his/her professional obligation as a director.  
I He/ She should be having courtesy, humility and positive thinking.
- (d) He/ She should be knowledgeable and diligent in updating his/her knowledge.
- (e) He/ She should have skills, experience and expertise by which the Company can benefit.
- (f) In respect of Executive/Whole time Director/Managing Director, in addition to I (a) & (b) and II (a) to (e) above, he/she should have strong quality of leadership and team mentoring, recognition, management skills, vision, ability to steer the organization even in adverse conditions, innovative thinking, result oriented and ability to enhance reputation of the organization.

**III. INDEPENDENCE:**

In respect of an Independent director, in addition to I (a) & (b) and II (a) to (e) above, he/she should fulfill the criteria for being appointed as an Independent Director prescribed under section 149 of the Companies Act, 2013 read with Schedule IV to the said Act and the provisions of SEBI ( Listing Obligations and Disclosure Requirements ) Regulations, 2015 as amended from time to time.

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

Sd/-

Place : Ahmedabad  
Date : August 11, 2017

**Pawan Kumar Agarwal**  
Managing Director  
[ DIN 00060418 ]

## ANNEXURE VI

### Disclosure under Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31 March, 2017

| Sr. | Name of the Director No    | Remuneration per annum (In Rs.) | Median Remuneration per annum (In Rs.) | Ratio |
|-----|----------------------------|---------------------------------|--|-------|
| 1   | Mr. Ram Prasad Agarwal     | 0                               | 184072                                 | N.A.  |
| 2   | Mr. Narayan Prasad Agarwal | 0                               | 184072                                 | N.A.  |
| 3   | Mr. Pawan Kumar Agarwal    | 0                               | 184072                                 | N.A.  |
| 4   | Mr. Saurabh Jhunjhunwala   | 0                               | 184072                                 | N.A.  |
| 5   | Mr. Sital Kumar Banerjee   | 0                               | 184072                                 | N.A.  |
| 6   | Mr. Jiwraj Khaitan         | 0                               | 184072                                 | N.A.  |
| 7   | Mr. Virendra Sharma        | 0                               | 184072                                 | N.A.  |
| 8   | Ms. Aarefa Oanali Dudhwala | 0                               | 184072                                 | N.A.  |

2. **During the year under the review no remuneration was paid to any Director of the Company.**

During the year 16 - 17, the Company has paid remuneration of Rs. 497033/- to Mr. Roshan Lal Saklani, Chief financial officer of the Company. During the year 15-16, the Company has paid remuneration of Rs. 629664/- Mr. Roshan Lal Saklani, Chief financial officer of the Company. The % decrease during the year was 21.06

During the year 16 - 17, the Company has paid remuneration of Rs. 11,93,318/- to Mr. Suresh Kumar Verma, Company Secretary. During the year 15-16, the Company has paid remuneration of Rs. 12,29,666/- to Mr. Suresh Kumar Verma, Company Secretary of the Company. The % decrease during the year was 2.95-.

3. Percentage decrease in median remuneration of employees in the financial year was 9.30%
4. The number of permanent employees on the rolls of the company as on 31 March, 2017 - 91
5. During the year on average there was 3.01% of increase in the remuneration of employees in comparison to the previous year which is in line with the current year's performance, market dynamics and as a measure to motivate the employees for better future performance to achieve organization's growth expectations.
6. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. ∴

Pursuant to Rule 5(1) (xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of your Company.

**ANNEXURE VII**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Industry Scenario /opportunity & Out Look / Risk & Concern:**

Your Company is basically engaged in Transportation, Wind Energy and Trading of Automotive Parts, Renting of Immovable Properties. The details in respect of sector wise outlook, strengths, threats and risks attached to each segment, performance of the Company in each segment is mentioned as under:

**Transport Sector:**

The road transportation industry has been the most significant constituent of the Indian logistics industry. However, the segment continues to struggle to cater to the country's size and widely spread consumption hubs.

**Opportunities in Transport Sector:**

Increase in economic development of the Country will ultimately require increase in transportation of goods and Services. Further Road Transportation is one of the cheapest mode of transport and goods can be transported from one place to another, even in remote areas. Furthermore due to increase in prices of land, big industries are located in remote areas and which provides more opportunity for the transportation sector. Further, improvement in the quality of road infrastructure has played a critical role. Further reduction in price of diesel is also attracting the Road transport. Further the introduction of Goods and Services Tax will be a crucial factor for growth of the Company.

**Strength of the Company in Transport Sector :**

Your Company has more than 100 Commercial Vehicles and has entered into contract with various companies for the transportation of goods. The Company has experience of more than 2 decades in the Transportation Sector. Thus the Company has good network in the field of the transportation Sector.

**Weakness of the Company in Transportation Sector:**

Competition is one of the factors affecting the performance of the Company. Further the Sector requires capital investment which is getting costlier day by day for the purchase of new commercial vehicles. Lack of ability of the Company to invest in new commercial vehicles is one of the major weaknesses of the Company.

**Risk in Transportation Sector:**

Increase in overhead costs is also another risk associated with the transportation Sector. Further customers do not pay in proportion to the increase in the input prices, if any.

High cost of manpower also affects the transportation sector.

Further slowdown in the economic activity of the industries also affects the growth of the Sector.

**Performance of the Company in Transportation Sector:**

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 marginally increased from Rs. 12.07 Crores to Rs. 13.46 Crores registering a increase of 11.51%

**Trading in Automotive Parts:**

**Industry Scenario /opportunity & Out Look / Risk & Concern:**

The growth outlook for the automotive aftermarket industry in India continues to be positive, driven by sustained increase in vehicle population and a shift towards higher-end vehicles.

Except for large automotive distributors, players across the aftermarket faced margin pressure in the last few years. This trend is likely to continue as most players in the Indian aftermarket are still sub-scale and will be at risk of margin decline due to pricing pressures as well as rising costs.



**Opportunities of the Company in Automotive Parts:**

Your Company has distributorship of BOSCH Ltd and also of Mahindra & Mahindra Ltd, which are very reputed international brands. Sale of such branded parts provides customer satisfaction and more demand from the Customers.

**Strengths of the Company in Automotive Parts:**

Your Company 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.

Your Company is acting as the Super Distributor for Auto Components & Farm Equipment manufactured by "Mahindra & Mahindra Ltd. and Tractor and Farm Equipment Limited," for the Automotive Aftermarket. With newer models of vehicles being introduced in the market every year, the business has very good potential in future.

**Risk of the Company in Automotive Parts:**

The margins from the automotive parts depend upon the policy and pricing of components by BOSCH Ltd., Tractor and Farm Equipment Limited and by Mahindra & Mahindra Ltd over which the Company has no control.

Manufacturing of parts by local suppliers at cheap rate is also another risk associated with the automotive parts.

**Performance of the Company in Automotive Parts:**

The Revenue from trading Operations of automotive parts of increased from Rs. 24.26 Crores to Rs. 28.10 Crores registering an increase of 15.82%.

**Wind Energy Generation:**

**Industry Scenario & Out Look:**

India is moving towards energy sufficiency and at the same time emphasis is improving on renewable energy contribution. Emphasis of the Government is adding up renewable energy. Accelerated depreciation will help in furthering the cause of commissioning more wind mills.

**Opportunities in Wind Energy Sector:**

Thermal and Coal Power projects involve storage, transportation and pollution problems and hence Wind Energy is one of the cleanest sources of energy. Wind industry is attracting large investments.

Policies of the government are enabling the company to supply quality power to the consumers. Company has realized revenue faster from the group captive consumers than selling power to the utility.

**Strength of the Company in Wind Energy Sector:**

Your Company has installed Wind mills in the strategic areas whereby wind blows at a faster pace which helps the Company to generate more energy. It is one time investment leading to returns for number of years.

**Weakness of the Company in Wind Energy Sector:**

Competition from other energy source like Thermal, Solar and Bio Mass is impacting Wind Energy badly. Company has to follow industry norms and compete. Once the industrialization picks up, we may expect the prices to go up again.

**Risks in Wind Energy Sector:**

Generation of wind energy depends upon the weather. A good monsoon will enable generation of more power. Government policies also play an important role in determining the prices and also availability of Grid to export power to our consumers.

Our power is being utilized by the group captive consumers. Company may face problem if our consumers are facing impact on international / national prices of the commodities.

**Performance of the Company in Wind Energy Sector:**

The Revenue from Operations of the division increased from Rs. 1.28 Crores to Rs. 1.74 Crores registering a decrease of 35.93%

**Renting of immovable properties:**

**Industry Scenario & Outlook:**

During the year under the review, the real sector has witnessed slowdown. The Slowdown in real sector is mainly due to huge supply and lower growth of economy. Rentals from real estate have also come down significantly. However it is expected that the demand of the real estate will increase in the years to come forward. Central Government and State Government also play an important role in the growth of the Sector.

**Opportunities of the Company in Real Sector:**

High Population growth and rapid expansion of the urban area, resulting in higher demand for real estate. Further the company expects that in the years to come the economy will improve and will result in more demand which will also lead to increase in rental income and rental business.

**Weakness of the Company in Real Sector:**

Huge Interest Burden and liquidity crisis is one of the major weaknesses of the Company to invest in the real estate.

**Risk of the Company in Real Sector:**

High Investment in the Real Sector is one of the major risks that the Company foresee in the real estate. Further rentals from real estate will depend upon the growth of the economy.

In the recent past Bankers have attached / taken possession some of the properties from which the Company use to derive its rental income.

**Performance of the Company in Real Sector:**

The Revenue from Operations of the division decreased from Rs. 0.69 Crores in comparison to Rs. 0.37 Crores registering a decrease of 46.38%.

**Internal Control Systems and their adequacy:**

The Company maintains adequate internal control systems, which provides, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of company's assets.

Internal Controls are adequately supported by internal audit and periodical review of by the management. The audit committee meets periodically to review with the management and statutory auditors, financial statements. The Audit Committee also meets with the internal auditors to review adequacy /scope of internal audit function, significant findings and follow up thereon and finding of abnormal nature.

Your Company has installed CCTV in some of its Divisions, which acts as safeguarding the assets from theft/ burglary or any unforeseen events.

**Human Relations:**

Relations with the employees of the Company at various levels remained harmonial during the year under the review. The Company is making its best efforts to retain and attract talented employees. During the year under the review, the Company has complied with all legislative provisions of labour laws. As at 31<sup>st</sup> March, 2017 the Company has around 91.

**Cautionary Statements:**

Statements in this Directors' Report & Management Discussion and Analysis describing the Company's Objectives, projections, estimates, expectations, or prediction may be "forward looking statements " within the meaning of applicable securities laws and regulations. Actual result might differ materially from those expressed or implied.

The Company assumes no responsibility in respect of the forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.

**The Corporate Governance & Management Discussion & Analysis ( MDA) Report:**

The Corporate Governance & Management Discussion & Analysis (MDA) Report forms part of the Annual Report. The Certificate from the Statutory Auditors of the Company certifying compliance of the conditions of the Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the report on Corporate Governance.

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

Sd/-

Sd/-

Place : Ahmedabad  
Date : August 11, 2017

**Narayan Prasad Agarwal**  
Director  
DIN : 00060384

**Pawan Kumar Agarwal**  
Managing Director  
[ DIN 00060418 ]

## Annexure – VIII

### CORPORATE GOVERNANCE REPORT

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

The Company's philosophy is to conduct its affairs in a manner which is transparent, Clear and evident to those dealing with or having a stake in the Company namely shareholders, lenders, creditors and employees. The Company's philosophy on corporate Governance is thus concerned with the ethics and values of the Company and its Directors, who are expected to Act in the best interest of the Company and remain accountable to shareholders and other beneficiaries for their Action.

The Company is committed to provide high quality product and services to its customers and stakeholders, because the Company believes that its long-term survival is entirely dependent on good corporate governance.

**2. BOARD OF DIRECTORS:**

As on 31st March, 2017 strength of the Board of Directors is 8 (Eight).

Attendance of each Director at the Board Meetings and last Annual General Meeting

| Name of the Director & Age               | Executive/ Non-executive/ Independent      | No. of sharesheld in the Company | No. of Board meetings attended | Attendance at the Last AGM | No. of outside Directorship held excluding private Companies | Total No. Memberships/ Chairmanship of Committees |          |
|--|--|----------------------------------|--------------------------------|----------------------------|--|---|----------|
|  |  |                                  |                                |                            |  | Member  | Chairman |
| Ram Prasad Agarwal<br>Age - 63 years     | Non Executive Director and Promoter        | 388722                           | 3                              | Yes                        | 3  | -   | -        |
| Narayan Prasad Agarwal<br>Age - 58 years | Non Executive Director and Promoter        | 145800                           | 7                              | Yes                        | 3  | -   | -        |
| Pawan Kumar Agarwal<br>Age - 57 years    | Managing Director - Executive and Promoter | 250266                           | 7                              | No                         | 3  | -   | -        |
| Saurabh Jhunjhunwala<br>Age - 41 years   | Non Executive Director                     | 105440                           | 6                              | Yes                        | 2  | -   | -        |
| Virendra Sharma<br>Age - 63 years        | Independent                                | Nil                              | 6                              | Yes                        | 2  | -   | -        |
| Jiw Raj Khaitan<br>Age - 78 years        | Independent Director                       | Nil                              | 4                              | Yes                        | 0  | 0   | 0        |
| Sital Kumar Banerjee<br>Age - 79 years   | Independent Director                       | Nil                              | 4                              | Yes                        | 0  | 0   | 0        |
| Aarefa Oanali Dudhwala<br>Age - 26 years | Independent / Women Director               | Nil                              | 1                              | No                         | 1  | 2*  | 0        |

\* Member of Stakeholders relationship Committee and Nomination and Remuneration Committee of Eureka Industries Limited.

Notes:

- (1) Disclosure of Chairmanship & Membership includes membership of Audit and Stakeholder Relationship Committees in other Public Limited Companies.
- (2) Other directorships do not include alternate directorship, directorship of Private Limited Companies, Section 8 Companies of the Companies Act, 2013 and Foreign Companies.
- (3) None of the Directors of Board is a member of more than ten Committees and no Director is Chairman of more than five committees across all the Public companies in which they are Director. The necessary disclosures regarding Committee positions have been made by all the Directors.
- (4) None of the Independent Director of the Company is holding position of Independent Director in more than 7 Listed Company. Further, none of the Director of the Company serving as a Whole-Time Director in any Listed Company and is holding position of Independent Director in more than 3 Listed Company.
- (5) None of the Non-executive Directors has any pecuniary relationship, except Mr.Ram

Prasad Agarwal, Mr. Narayan Prasad Agarwal and Mr. Pawan Kumar Agarwal, Directors of the Company are related to each other. Further Mr. Saurabh Jhunjunwala is the son of Mr. Ramprasad Agarwal and has pecuniary relationship. Non-executive Directors have no transaction with the Company, except as disclosed. No remuneration is paid to any Director of the Company.

During the year the Board of Directors met 8 times. The dates of the Board meetings are as under: 01.04.2016, 09.05.2016, 30.05.2016, 31.05.2016, 13.08.2016, 19.08.2016, 14.11.2016 and 14.02.2017

All the relevant information such as operating cost, sales, financial results, capital expenditure proposals and statutory dues, among others, are as a matter of routine, placed before the Board for its approval/ information. The gap between two Board meeting(s) does not exceed 120 days.

Shri Saurabh Jhunjunwala and Shri Ram Prasad Agarwal, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment. The information required to be furnished in terms of Listing Regulations is as under:

| Name of the Director   | Shri Ram Prasad Agarwal  | Shri Saurabh Jhunjunwala   |
|--|--|--|
| Date of Birth  | 31.12.1954   | 11.01.1976   |
| Date of joining the Board of Director of the Company   | 04.12.1989   | 01.12.1999   |
| Educational qualification  | B.Com  | B.Com  |
| Number of Shares held in the Company   | 388722   | 105440   |
| Directorship in other Companies[ Other than Private Limited Companies, Section 25 Company incorporated under Companies Act, 1956 and Section 8 Company incorporated under Companies Act, 2013) and committees (other than Frontline Corporation Ltd) | Fairdeal Supplies Ltd.,<br>Frontline Industries Limited<br>Prima Financial Services Limited  | Fairdeal Supplies Ltd.,  |
| Specific Functional Areas  | Aged about 63 years, is a Promoter Director of the Company since 04.12.1989. He is a Commerce Graduate from St. Xavier's College, Calcutta and has 34 years of rich experience in Transportation and Trading of Coal & Coke. | Shri Saurabh Jhunjunwala aged about 40 years is a Commerce Graduate having about 20 years of experience in administration. He is the son of Shri Ramprasad Agarwal. He is looking after the day-to-day management of Kolkata Office. |

**INDEPENDENT DIRECTORS MEETING:**

Schedule IV to the Act, inter alia, prescribes that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of the non-independent directors and members of the management. During the year, one meeting of independent directors was held on 01st April, 2016. Shri Virendra Sharma was unanimously elected as the Chairman of the Meeting of the Independent Directors. In addition to Mr. Virendra Sharma, the Independent Director meeting was attended by Shri Jiwraj Khaitan and Shri Sital Kumar Banerjee. At the meetings, the Independent Directors reviewed the performance of the non-independent directors (including the chairperson) and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the company, management and the Board that is necessary for the Board to effectively and reasonably perform their duties

**Board Committee:-**

**Audit Committee**

**(i) Qualified & Independent Audit Committee:**

Pursuant to the provision of Section 177 of the Companies Act, 2013 and in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 your Company has constituted an audit committee. The power of the audit committee, terms of reference and role of the audit committee are in conformity with the provision of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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:-

| Sr. No. | Director                 | Category of Directorship | Chairman/ Member | No.of Meetings held | No. of Meeting attended |
|---------|--------------------------|--------------------------|------------------|---------------------|-------------------------|
| 1.      | Shri Virendra Sharma     | Independent Director     | Member/ Chairman | 5                   | 5                       |
| 2.      | Shri Saurabh Jhunjunwala | Non-Executive Director   | Member           | 5                   | 4                       |
| 3.      | Smt. Aarifa Dudhwala     | Indsependent Director    | Member           | 5                   | 2                       |

Mr. S.K. Verma, Company Secretary, acts as the Secretary to the Committee.

Representatives of Statutory auditors, internal auditors are invited from time to time depending upon the requirement of the committee to attend the meeting.

The Minutes of the Audit Committee are placed before the next Board Meeting. All the recommendations of the audit committee were accepted by the Board.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company to answer shareholders query.

During the year under the review, the audit committee met 5 times during the year 2016 -2017 on 30.05.2016, 31.05.2016, 13.08.2016, 14.011.2016 and 14.02.2017.

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

**2. Nomination and Remuneration Committee:**

The Remuneration Committee 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 Meeting attended |
|---------|--------------------------|----------|--------------------------|----------------------|-------------------------|
| 1       | Shri Virendra Sharma     | Chairman | Independent Director     | 2                    | 2                       |
| 2       | Ms. Aarifa Dudhwala      | Member   | Independent Director     | 2                    | 1                       |
| 3       | Shri Saurabh Jhunjunwala | Member   | Non-Executive Director   | 2                    | 1                       |

The Company has appointed a Remuneration Committee. The Committee discharges the duties as specified in the Companies Act, 2013 and looks SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year no remuneration was paid to any Director of the Company.

**3. 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 authorized 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 30.05.2015, 31.05.2016, 13.08.2016, 14.11.2016 and 14.02.2017

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 Meeting attended |
|---------|--------------------------|--------------------|--------------------------|----------------------|-------------------------|
| 1       | Shri Virendra Sharma     | Member<br>Chairman | Independent Director     | 5                    | 5                       |
| 2       | Shri Saurabh Jhunjunwala | Member             | Non-Executive Director   | 5                    | 4                       |
| 3       | Ms. Aarefa Dudhwala      | Member             | Independent Director     | 5                    | 3                       |

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

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

During the year, No complaint letter was received from the shareholder. There was no pending complaint from the shareholders as on 31.03.2017.

**4. GENERAL BODY MEETINGS:**

The last three annual General Meetings were held as under:

| Sr. No. | Financial Year | Day and Date                                     | Time       | Location  |
|---------|----------------|--|------------|---|
| 1       | 2013 - 2014    | Tuesday,<br>30.09.2014                           | 10.00 a.m. | 4, B.B.D. Bag (East), Room No. 5<br>Stephen House, 1st Floor, Kolkata - 700 001 |
| 2       | 2014 - 2015    | Wednesday,<br>30 <sup>st</sup> September<br>2015 | 10.00 a.m. | 4, B.B.D. Bag (East), Room No. 5<br>Stephen House, 1st Floor, Kolkata - 700 001 |
| 3       | 2-15 - 2016    | Tuesday<br>27 <sup>th</sup> September<br>2016    | 10.00 a.m. | 4, B.B.D. Bag (East), Room No. 5<br>Stephen House, 1st Floor, Kolkata - 700 001 |

The Company had passed special resolutions at the annual general meeting held during the last three years. The short details of special resolutions passed are as under:

| Financial Year | Particulars of Special resolutions passed  |
|----------------|--|
| 2013 - 2014    | 1. Borrowings in excess of the Paid up Share Capital and free reserves pursuant to provision of Section 180 (1) (c) of the Companies Act, 2013.<br>2. Creation of Charges on the assets of the Company pursuant to provision of Section 180 ( 1 ) ( a ) of the Companies Act, 2013 |
| 2014 - 2015    | 1. Approval for Related Party transaction pursuant to provision of Section 188 of the Companies Act, 2013  |
| 2015 - 2016    | 1. Approval for Related Party transaction pursuant to provision of Section 188 of the Companies Act, 2013  |

No resolution is proposed to be passed through postal ballot at the forthcoming annual general meeting. No resolution was passed through postal ballot during last three annual general meetings.

**5. MEANS OF COMMUNICATION:**

Your Company complies with SEBI (LODR), 2015 Quarterly Results, Annual Result and other statutory publications are being normally published in *Dainik Lipi* (Bengali ) & *Business Standard* (English). Further results are also displayed on the Company's website. [www.http://frontlinecorporation.org](http://frontlinecorporation.org)

**6. GENERAL SHAREHOLDER INFORMATION:**

|       |   |  |
|-------|---|--|
| (i)   | Annual General Meeting<br>Day, Date, Time and Venue       | Day : <b>Thursday</b><br>Date: 21 <sup>st</sup> September, 2017<br>Time: 10.00 a.m.<br>Venue : 4, B.B.D. Bag (East), Room No. 5<br>Stephen House, 1st Floor, Kolkata - 700 001 |
| (ii)  | Next Financial Calendar Year                              | 1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018 ( tentative )  |
| (iii) | Date of Book Closure                                      | Friday, 15 <sup>th</sup> September, 2017 to Thursday 21 <sup>st</sup> September, 2017 (both the days inclusive)  |
| (v)   | ISIN No. for ordinary shares of the Company in Demat form | <b>INE092D01013</b>  |



|         |  |   |
|---------|--|---|
| (vi)    | Registered Office  | 4, B.B.D. Bag (East), Room No. 5 Stephen House,<br>1st Floor, Kolkata - 700 001   |
|         | Corporate Office   | 4 <sup>th</sup> Floor, Shalin Building, Near Nehru Bridge Corner,<br>Ashram Road, Ahmedabad – 380 009   |
| (vii)   | Registrar and Transfer Agent   | Bigshare Services Private Limited, A-802, Samudra<br>Complex Near Klassic Gold Hotel, Girish Cold Drink,<br>Off C G Road , Navrangpura, Ahmedabad Gujarat –<br>380009 Phone No. -079-40024135, Mob. 9971542155  |
| (ix)    | Investor Correspondence  | A-802, Samudra Complex, Near Klassic Gold Hotel,<br>Girish Cold Drink, Off C G Road, Navrangpura,<br>Ahmedabad Gujarat –380009  |
| (x)     | Means of Communication   | The Company sends its quarterly results in<br>Stock Exchanges. Further the same is also<br>published in the newspapers.   |
| (xi)    | Any Website where it displays<br>official releases                             | www.frontlinecorp.org   |
| (xii)   | Any presentation made to the<br>institutional investor and analyst             | No  |
| (xiii)  | Is half yearly report sent to the<br>shareholders                              | No  |
| (xiv)   | Whether Management Discussion<br>and Analysis is a part of this report         | Yes   |
| (xv)    | Share Transfer System  | The work of physical share transfer is presently<br>handled by Registrar and Transfer Agent.  |
| (xvi)   | Listing and Stock Code   | The Calcutta Stock Exchange Association Ltd.,<br>-CSE; 016057 BSE Ltd., - BSE; 532042<br><br>The Company had received a letter bearing Ref No. ASE/<br>259 dated 11.01.2017 informing the Company for undergoing<br>their exit policy. Henceforth, the Company is not required to<br>comply with various clauses of Listing Agreement of<br>Ahmedabad Stock Exchange Limited. |
| (xvii)  | The name and address of<br>Stock Exchanges where<br>Company is listed          | <b>1. The Calcutta Stock Exchange Association Ltd.,</b><br>7, Lyons Range, Kolkata – 700 001.<br><b>2. BSE Ltd.,</b><br>Phiroze Jeejeebhoy Towers, Dalal Street,<br>Mumbai – 400 001.   |
| (xviii) | Auditors for the FY 2016-17 and<br>Proposed Auditors for the<br>FY 2017 - 2018 | M/s. Paresh Thothawala & Co.,<br>Chartered Accountants  |
| (ix)    | Branch Auditor   | M/s. VPC & Associates, Chartered Accountants,<br>Kolkata (upto 31 <sup>st</sup> March, 2017)  |
| (xx)    | Compliance Officer   | Shri Suresh Kumar Verma, Company Secretary  |

**FINANCIAL CALENDER:**

|                       |  |
|-----------------------|--|
| Report Period         | : From 1 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018 |
| First Quarter Result  | : Second Week of August, 2018 (tentative)                        |
| Second Quarter Result | : Second Week of November, 2018 (tentative)                      |
| Third Quarter Result  | : Second Week of February, 2019 (tentative)                      |
| Fourth Quarter Result | : Last Week of May, 2019 (tentative)                             |

**7. DISTRIBUTION OF SHAREHOLDINGS AND SHARE HOLDING PATTERN  
(AS ON 31-03-2017):**

**SHAREHOLDING PATTERN:**

| Category                       | No. of Share holders | % of holding to total | No. of Share held |
|--------------------------------|----------------------|-----------------------|-------------------|
| Promoter & Promoter Group      | 18                   | 43.1331               | 2156654           |
| Public                         | 627                  | 56.8669               | 2843346           |
| Non Promoter-Non Public        | 0                    | 00                    |                   |
| Shares underlying DRs          | 0                    | 00                    |                   |
| Shares held by Employee Trusts | 0                    | 00                    |                   |
| <b>Total</b>                   |                      | <b>100.00</b>         | <b>5000000</b>    |

**Shareholding Position as on 31st March, 2017**

| Mode            | No. of Records | No. of Shares  | % to total Capital |
|-----------------|----------------|----------------|--------------------|
| <b>NSDL</b>     | <b>238</b>     | <b>3355728</b> | <b>67.11</b>       |
| <b>CDSL</b>     | <b>143</b>     | <b>759150</b>  | <b>15.18</b>       |
| <b>Physical</b> | <b>269</b>     | <b>885122</b>  | <b>17.70</b>       |

**Market Price Data**

Ahmedabad Stock Exchange has been derecognized during the year. The Shares of the Company were not traded at Calcutta Stock Exchange during the year.

The details of Equity Shares traded at BSE for the period from April 2016 to March 2017 is as follows:

| Month        | Open  | High  | Low   | Close | No. of Shares | No of Trades | Total Turnover |
|--------------|-------|-------|-------|-------|---------------|--------------|----------------|
| April 16     | 21.50 | 22.55 | 21.50 | 22.55 | 35            | 2            | 773            |
| May 16       | 23.65 | 23.65 | 23.65 | 23.65 | 10            | 1            | 236            |
| June 16      | 24.80 | 24.80 | 24.80 | 24.80 | 99            | 2            | 2455           |
| July 16      | 26.00 | 26.00 | 26.00 | 26.00 | 3             | 3            | 78             |
| August 16    | 26.00 | 28.30 | 26.00 | 28.30 | 22            | 3            | 597            |
| September 16 | 28.30 | 29.70 | 28.30 | 29.70 | 212           | 3            | 6279           |
| October 16   | 29.70 | 29.70 | 28.80 | 29.50 | 8             | 6            | 234            |
| November 16  | 30.00 | 30.50 | 30.00 | 30.30 | 58            | 6            | 1762           |
| December 16  | 30.30 | 32.00 | 30.00 | 32.00 | 131           | 10           | 3964           |
| January 17   | 30.40 | 30.50 | 30.40 | 30.40 | 46            | 14           | 1398           |
| February 17  | 28.90 | 28.90 | 21.30 | 21.30 | 106           | 11           | 2589           |
| March 17     | 20.25 | 20.25 | 17.40 | 17.40 | 89            | 6            | 1675           |

**1. DISCLOSURES:**

**(a) Materially significant related party transactions**

All the Related Party Transactions are forming part of the notes to the Balance Sheet. Other than those there was no materially significant related party transaction with its promoters, Directors or the management, their subsidiaries or relatives etc. that had a potential conflict with the interest of the Company at large.

- (b) Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchange or Securities and Exchange Board of India (SEBI) or any Authority on any matter related to capital markets during last three years:

***BSE has imposed a penalty of Rs. 5750/- for late submission of results for the quarter ended on 31<sup>st</sup> March, 2017. The Company has made representation to the exchange for the same and the Company hopes that it will get waiver from the same.***

Other than this there was no non compliance by the Company.

(c) Whistle Blower Policy

In accordance with the requirements of the Act, read with the Listing Regulations, 2015 the Company has a Whistle Blower Policy approved by the Board of Directors. The objectives of the policy are:

- a. To provide a mechanism for employees and directors of the Company and other persons dealing with the Company to report to the Audit Committee; any instances of unethical behavior, actual or suspected fraud or violation of the Company's Ethics Policy and
- b. To safeguard the confidentiality and interest of such employees/directors/other persons dealing with the Company against victimization, who notice and report any unethical or improper practices.
- c. To appropriately communicate the existence of such mechanism, within the organization and to outsiders. Whistle blower policy is available on website of the Company.

The Company confirms that no personnel has been denied access to the audit committee pursuant to the whistle blower mechanism

(d) Familiarisation Programme:

The Company has a detailed familiarization programme for Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the company operates, business model of the Company etc. The details of such programme are available on the website of the Company .i.e. [www.frontlinecorporation.org](http://www.frontlinecorporation.org).

The Company has laid down procedures to inform the Board Members about the risk assessment and risk mitigation mechanism, which is periodically reviewed and reported to the Board of Directors by senior executives.

- (e) Disclosure of accounting treatment different from accounting standards: None

- (f) Subsidiary Company: The Company does not have any subsidiary Company.

(g) **Policies:**

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed Companies. All our Corporate Governance policies are available on our website ([www.frontlinecorporation.org](http://www.frontlinecorporation.org)). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

| Name of Policy            | Brief Description   | Web Link   |
|---------------------------|---|--|
| Code of Conduct           | The Company has formulated and adopted code of Conduct for the Senior Management and officers of the Company.   | <a href="http://www.frontlinecorporation.org">www.frontlinecorporation.org</a> |
| Remuneration Policy       | The policy formulated the criteria for determining qualifications, Competencies, Positive attitude and independence for appointment of a Director (Executive/Non-Executive) and also the Criteria for determining the remuneration of the directors, Key Managerial Personnel and other employees.  | <a href="http://www.frontlinecorporation.org">www.frontlinecorporation.org</a> |
| Insider Trading Policy    | The Company has adopted the policy for regulate, monitor, and report trading by insiders & code of fair disclosure of unpublished price sensitive information for the Directors, KMP and other designated officers and connected persons of the Company   | <a href="http://www.frontlinecorporation.org">www.frontlinecorporation.org</a> |
| Risk Management Policy    | The Company has a structured risk management policy. The Risk management process is designed to safeguard the organization from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The potential risks are inventoried and integrated with the management process such that they receive the necessary consideration during decision making. | <a href="http://www.frontlinecorporation.org">www.frontlinecorporation.org</a> |
| Related Party Transaction | The Board of the Company has adopted the Policy and procedure with regard to Related Party Transactions. The policy envisages the procedure governing the materiality of Related Party Transactions and dealing with Related Party transactions required to be followed by Company to ensure compliance with the Law and Regulation.  | <a href="http://www.frontlinecorporation.org">www.frontlinecorporation.org</a> |
| Whistle Blower Policy     | The Company has adopted the Vigil Mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Companies code of conduct and ethics.   | <a href="http://www.frontlinecorporation.org">www.frontlinecorporation.org</a> |
| Preservation Policy       | The Company has adopted policy for the preservation of documents.   | <a href="http://www.frontlinecorporation.org">www.frontlinecorporation.org</a> |

**C.E.O. CERTIFICATION**

To  
The Board of Directors,  
Frontline Corporation Limited.

I, Pawankumar Agarwal, Managing Director of Frontline Corporation Limited and Mr. Roshanlal Saklani, Chief Financial Officer of Frontline Corporation Limited, appointed in terms of Companies Act, 2013, hereby certify as follows:

I have reviewed Financial Statements and the Cash Flow Statement for the year ended on 31st March, 2017 and that to the best of my knowledge and belief, I State that;

- A.** (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 my 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.** I accept responsibility for establishing and maintaining internal controls for financial reporting and that have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps have been taken or proposed to be taken to rectify these deficiencies.
- D.** I have indicated to the Auditors and the Audit committee,,
- (i) Significant changes in internal control over financial reporting during the year; Significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the Financial Statement; and
- (ii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

**By Order of the Board of Directors**

**Sd/-**  
**Roshanlal Saklani**  
**Chief Financial Officer**  
**PAN : AFHPS9049H**

**Sd/-**  
**Pawankumar Agarwal**  
**Managing Director**  
**DIN : 00060418**

Date: 11.08.2017  
Place: Ahmedabad

13. **CODE OF CONDUCT:**

The Board of Directors has laid down the Code of Conduct for all the Board Members and members of the senior Management. The code is a comprehensive code applicable to all Directors, Executive as well as Non - executive and members of the Senior Management. The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them. The Code is also displayed on the website of the Company. Further the Directors and the Senior Management of the Company has submitted disclosure to the Board that they do not have any material financial and commercial transactions that may have a potential conflict with the interest of the Company at large. A declaration given by the Managing Director is given below:

**DECLARATION BY THE MANAGING DIRECTOR PURSUANT  
LISTING REGULATION**

To,  
The Member of Company  
Frontline Corporation Limited,

The Company has obtained from all the members of the Board and Senior Management Personnel of the Company, affirmation that they have complied with the Code of Ethics and Business Conduct framed for Directors and Senior Management Personnel in respect of the financial year 2016 - 2017."

For and on behalf of Board

Place : Ahmedabad  
Date : 11/08/2017

Sd/-  
**PAWANKUMAR AGARWAL**  
MANAGING DIRECTOR  
[DIN : 00060418]

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Member of  
FRONTLINE CORPORATION LIMITED

We have examined the compliance of the conditions of corporate governance by FRONTLINE CORPORATION LIMITED ('the Company') for the year ended 31st March, 2017, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st April, 2016 to 31st March 2017.

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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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 above-mentioned Listing Agreement / Listing Regulations, as applicable.

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**  
**Firm Registration No: 114777W**

**Place: Ahmedabad**  
**Date: 11.08.2017**

Sd/-  
**Paresh Thothawala**  
**Partner**  
**Membership No. 048435**

## **INDEPENDENT AUDITOR'S REPORT**

To,  
The Members of  
Frontline Corporation Limited

### **Report on the Financial Statements**

We have audited the accompanying financial statements of FRONTLINE CORPORATION LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss for the year then ended the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the preparation of the financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the financial statements by the Directors of the Company, as aforesaid.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



Basis for Qualified Opinion

- **Note No. 10.2 and 11 regarding physical possession and selling of Land & Building taken by Punjab and Sind Bank.**
- **Note No. 10.1 and 30.1 for Demand Notice issued by UCO Bank and J&K bank by virtue of which some fixed assets details of which are given in detailed note of fixed assets have been symbolically possessed by the bank.**
- **Reference is invited Note No. 30.2 to the financial statements regarding corporate guarantee given by the company for credit facilities to Fairdeal Supplies Limited, a group company, and non-compliance of Section 295 of the companies Act, 1956.**
- **Reference is invited Note No. 13.2 to the financial statements, according to which an amount of Rs. Rs.5,96,57,498/- (Previous year Rs. Rs.6,50,56,579/-) is outstanding which has been given to M/s. Gateway Commodities (P) Ltd. as loans & advances. The management has explained that such advances have been given in the normal course of business. As per information made available to us and explanation given Rs. 53,99,081 (previous year Rs. 35,98,000) have been recovered / adjusted during the current financial year. The management, based on internal assessments and evaluations, have represented that the balance outstanding advances are still recoverable/ adjustable and that no accrual for diminution of advances is necessary as at balance sheet date. The management has further represented that as significant amounts have been recovered/adjusted during the previous and current financial year and since constructive and sincere efforts are being put in for recovery of the said advances, they are confident of appropriately adjusting / recovering significant portions of the remaining outstanding balance of such amounts in the foreseeable future. However, we are unable to ascertain whether all the remaining outstanding advances, as above, are fully recoverable / adjustable since the outstanding balances as at balance sheet date are outstanding for a long period of time, and further that, neither the amount recovered nor interest provided on such long outstanding amounts in the current year, consequently, we are unable to ascertain whether all of the remaining balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these remaining advances are subsequently determined to be doubtful of recovery.**

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us except for the effects of the matter described in the basis for qualified opinion paragraph, and based on the consideration of the reports of branch auditors, on the financial statements noted below, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2017;
- (b) In the case of Statement of Profit & Loss, of the Loss for the year ended on that date;
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**Emphasis of Matter**

We draw attention to the following matters in the Notes of the accompanying financial statement:

1. Non availability of balance confirmation from major suppliers and Customers and some bank accounts.
2. The company has received advance payment of US\$ 4,41,088.89 from overseas buyer against export order. The company has not completed shipment as well also not entered into a forward contract for outstanding liability of US\$ 4,41,088.89 as on 31st March, 2016. The company has written back the full amount i.e. Rs. 2,85,99,587/- as income which has been offered in the statement of Profit and Loss.

3. Note no 29.3 to the financial results which states about the settlement agreement entered into by the company with effect from for the entire dues in respect of commercial vehicle loan provided by Shriram Transport Financial Co. Ltd.

The company has accounted for the principal portion of waiver of loan facilities as Capital Reserve and waiver of interest as income which has been offered in the statement of Profit and Loss.

The said agreements provides for the settlement of entire dues in respect of financial assistance and facilities for the payment of Rs. 13,50,000/- towards full and final settlement against the total liability (Principal and interest) of Rs.77,28,201/- resulting into the waiver of total liability (Principal and interest) for the amount of Rs. 63,78,201/-.

Out of the said waiver of liability (principal and interest) for the amount of Rs. 63,78,201/- the waiver of liability of principal portion of Rs. 19,83,524/- has been shown as Capital Reserves in the Statement Assets and Liabilities as at 31st March, 2017 and waiver of interest liability for Rs. 43,94,677/- has been offered an Income in the Statement of profit and Loss and has been shown as an Extra ordinary item in the Results for the period ended 31st March 2017.

4. Non availability of agreement for purchase of land at Haldia against which payment of Rs. 27,39,000/- has been made in advance.
5. ECGC Claim of Rs. 222.38 Lacs received during the year has been offered as extraordinary income item in the statement of Profit & Loss account. We were unable to obtain sufficient appropriate audit evidence about the income recognise in the statement of Profit & Loss Account. Consequently we were unable to determine whether any adjustment to this amount is necessary.
6. Short provision of interest on Export Credit loan in consistence with Reserve Bank of India guidelines.
7. We did not audit the financial results of Kolkata Division which consist seven branches included in statement, whose financial reflects total assets (net of elimination) of Rs. 34,97,02,982/- at March 31, 2017 and total revenue of Rs. 5,79,42,482/- for the year ended on that date, as considered in the statement. These financial statements have been audited by the other auditors whose reports have been furnished to us and our opinion on the statement, in so far as it relates to the amounts and disclosures included in respect of this division, is based solely on the reports of other auditors.

Our opinion is not modified with respect to the above matters as listed under Emphasis of Matter. Our report is not modified in respect of above matters.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure - I" a statement on the matters specified in paragraphs 3 and 4 of the Order.

#### **As required by section 143(3) of the Act, we report that:**

- a) We have sought and obtained all the information and explanations which to be best of our knowledge and belief were necessary for the purpose of our Audit;
- b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
- c) Except for the effects of the matter described in Basis for qualified opinion paragraph above, in our opinion, proper books of accounts as required by law have been kept by the company

so far as it appears from our examination of those books. The Balance Sheet and the Statement of Profit and Loss and the statement of cash flow dealt with this Report are in agreement with the books of Accounts.

- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) In our opinion there are no observations or comments on the financial transactions, which may have an adverse effect on the functioning of the company except as stated above.
- f) On the basis of the written representations received from the directors as on 31-03-2017 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2017 from being appointed as a Director in terms of section 164(2) of the Act.
- g) Report on the Internal Financial Controls under clause (1) of sub-section 3 of section 143 of the Companies Act, 2013 ("The Act"), is enclosed in Annexure-II to this report.
- h) With respect to the matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has not any pending litigations on its financial position in its financial statements.
  - b. The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long term contracts including derivative contracts.
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investors Education and Protection Fund.
  - d. On the basis of information and explanations given to us, the company has maintained proper records in respect of holding and / or dealings in Specified Bank Notes (SBN) during the period from November 8th 2016 to December 30th 2016 and has made adequate disclosures in these financial statements. (Please refer note no. 17.3)

**For, Paresh Thothawala & Co.**  
**Chartered Accountants**  
Firm Reg. No. 114777W  
Sd/-

Date: 31<sup>st</sup> May, 2017

Place: Ahmedabad

**CA Paresh K Thothawala**  
**Partner**

Membership No.048435

## **Annexure - I to the Independent Auditors' Report**

Refer to in our report of even date

**i) Fixed Assets:**

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification. However UCO bank has taken symbolic possession of some of the fixed assets specified in the note of Fixed Assets which are provided as collateral security against credit facility enjoyed by Fairdeal Supplies Limited and Punjab & Sind Bank has taken physical possession of the fixed assets specified in the note of fixed assets. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) According to information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.

**ii) Inventories:**

As explained to us the company has conducted physical verification at reasonable intervals in respect of inventory. In our opinion and according to the information and explanations given to us, material discrepancies were not noticed on such physical verification.

- iii) The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act and hence provisions of Clause 3(iii) of the aforesaid Order are not applicable to the Company.
- iv) According to information and explanation given to us, the Company had given corporate guarantee of Rs. 318.00 Crore for credit facilities availed by its group company namely Fairdeal Supplies Limited from bank.
- v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of section 73 to 76 of the act and Rules framed there under to the extend notified.
- vi) To the best of our knowledge and based on the information and explanation given to us, the provision of maintenance of cost records under sub-section (1) of section 148(1) of the Act is not applicable to the company.
- vii) (a) In our opinion and according to information and explanation given to us and according to records of the company, the company is generally regular in depositing undisputed statutory dues including Provident fund, Employee's state insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of customs, Duty of Excise, Value added tax, cess and other material statutory dues with the appropriate authorities. There is no arrears of statutory dues as at 31st March 2017 which are outstanding for a period of more than 6 Months from the date they becomes payable.

- (b) According to the information and explanation given to us, the following dues of Income Tax and VAT have not been deposited by the company on account of dispute and the forum where the dispute is pending are as under:

| <b>Name of the Statute</b>   | <b>Nature of Dues</b> | <b>Amount (Rs.)</b> | <b>Period to which Amount relates</b> | <b>Forum Where dispute is pending</b> |
|------------------------------|-----------------------|---------------------|---------------------------------------|---------------------------------------|
| Income Tax Act, 1961         | Income Tax            | 5,03,879            | AY 2008-09                            | ITAT                                  |
| Income Tax Act, 1961         | Income Tax            | 43,08,870           | AY 2013-14                            | CIT Appeal (Section 143(3))           |
| Gujarat Value Added Tax 2003 | VAT/CST               | 1,12,186            | FY 2009-10                            | Commissioner of Commercial Tax        |

- (viii) In our opinion and according to information and explanation given to us the Company has defaulted in repayment of due to Bank/Financial Institution and Banks. Details are given below:

| <b>Name of lending Financial Institute and Nature of Account</b> | <b>Amount of Default in repayment</b> | <b>Period of Default</b>    | <b>Remarks</b>  |
|--|---------------------------------------|-----------------------------|---|
| Punjab & Sind Bank<br>– Packing Credit                           | Rs. 20,00,00,000                      | 01-04-2012 to<br>31-03-2017 | Exclusive of interest up to 31.03.2017. Loan recalled on 31.03.2012 |
| Punjab & Sind bank<br>– CCPH 000315                              | Rs. 17,14,67,783                      | 01-04-2012 to<br>31-03-2017 | Exclusive of interest up to 31.03.2017. Loan recalled on 31.03.2012 |

- (ix) In our opinion and according to information and explanation given to us, the term loans have been applied by the company during the year for the purposes for which they have obtained.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid / provided for managerial remuneration during the financial year. Accordingly, Clause 3(xi) of the order is not applicable.
- (xii) In Our opinion and according to information and explanations provided to us, the Company is not a Nidhi Company. Accordingly Clause 3(xii) of the aforesaid Order is not applicable.
- (xiii) The Company has entered into the transaction with the related parties in compliance with the provisions of the Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence provisions of Clause 3(xiv) of the aforesaid Order are not applicable to the Company.

- xv) The Company has not entered into any non-cash transactions with its directors or the persons connected with him and hence provisions of Clause 3(xv) of the aforesaid Order are not applicable to the Company.
- xvi) The Company is not required to be registered Section 45-IA of the Reserve Bank of India Act, 1934 and hence provisions of Clause 3(xvi) of the aforesaid Order are not applicable to the Company.

**For, Paresh Thothawala & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 114777W**

**Sd/-**  
**CA Paresh K Thothawala**

**Date: 31st May, 2017**  
**Place: Ahmedabad**

**Partner**  
**Membership No. 048435**

**ANNEXURE - II to the Independent Auditor's Report of even date on the  
Standalone Financial Statement of M/s FRONTLINE CORPORATION LIMITED.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the  
Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of ('the Company') as of 31<sup>st</sup> March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31<sup>st</sup> March, 2017:

**Qualified Opinion**

- a) ***The company did not have internal control system for loan & advances and Guarantee with regard to identification and assessment of credit worthiness. Further the internal control system regarding measures adopted for recovery is not adequate. These could potentially result in material misstatements in company's net worth and loans & advance balances.***

In our opinion, because of the effect of the material weaknesses described above on the achievement of the objectives of the control criteria, the company has not maintained adequate and effective internal financial control over financial reporting as of March 31, 2017.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 financial statement of the company, and these material weaknesses have affected our opinion on the financial statement of the company and we have issued qualified opinion on the financial statements.

**For, Paresh Thothawala & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 114777W**

**Sd/-**  
**CA Paresh K Thothawala**

**Date: 31st May, 2017**  
**Place: Ahmedabad**

**Partner**  
**Membership No. 048435**



| BALANCE SHEET AS AT 31ST MARCH, 2017 AT<br>PARTICULARS | NOTES | AS AT<br>31/03/2017<br>Amount in Rs. | AS AT<br>31/03/2016<br>Amount in Rs. |
|--|-------|--------------------------------------|--------------------------------------|
| <b>EQUITY AND LIABILITIES</b>                          |       |                                      |                                      |
| <b>SHAREHOLDER'S FUNDS</b>                             |       |                                      |                                      |
| Share Capital  | "2"   | 49,774,500                           | 49,774,500                           |
| Reserves And Surplus                                   | "3"   | 15,680,687                           | 5,416,428                            |
| <b>NON CURRENT LIABILITIES</b>                         |       |                                      |                                      |
| Long Term Borrowings                                   | "4"   | 17,745,035                           | 29,983,212                           |
| Other Long Term Liabilities                            | "5"   | 70,100,951                           | 70,100,951                           |
| <b>CURRENT LIABILITIES</b>                             |       |                                      |                                      |
| Short Term Borrowings                                  | "6"   | 371,467,783                          | 354,155,740                          |
| Trade Payables   | "7"   | 47,030,149                           | 38,846,313                           |
| Other Current Liabilities                              | "8"   | 167,807,008                          | 214,278,476                          |
| Short Term Provisions                                  | "9"   | 2,671,735                            | 2,574,967                            |
| <b>TOTAL :</b>   |       | <b>742,277,848</b>                   | <b>765,130,587</b>                   |
| <b>ASSETS</b>  |       |                                      |                                      |
| <b>NON CURRENT ASSETS</b>                              |       |                                      |                                      |
| Fixed Assets   |       |                                      |                                      |
| Tangible Assets  | "10"  | 266,351,756                          | 275,180,613                          |
| Intangible Assets                                      | "10"  | 13,670                               | 34,403                               |
| Capital Work In Progress                               | "10"  | -                                    | 1,992,421                            |
| Non Current Investments                                | "11"  | 67,111,549                           | 67,111,549                           |
| Deferred Tax Assets (Net)                              | "12"  | 31,810,575                           | 27,279,658                           |
| Long Term Loans & Advances                             | "13"  | 135,711,133                          | 139,799,351                          |
| <b>CURRENT ASSETS</b>                                  |       |                                      |                                      |
| Trade Investments                                      | "14"  | 4,700,340                            | 2,350,340                            |
| Inventories  | "15"  | 94,912,941                           | 125,698,590                          |
| Trade Receivable                                       | "16"  | 91,323,970                           | 68,874,002                           |
| Cash & Cash Equivalent                                 | "17"  | 5,665,513                            | 6,751,082                            |
| Short Term Loans and Advances                          | "18"  | 16,950,084                           | 24,930,345                           |
| Other Current Assets                                   | "19"  | 27,726,317                           | 25,128,233                           |
| <b>TOTAL :</b>   |       | <b>742,277,848</b>                   | <b>765,130,587</b>                   |

Significant Accounting Policies

"1 to 35"

Notes on Financial Statements

As Per our Report of Even Date

On Behalf of Board of  
Frontline Corporation Ltd

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

Sd/-  
S. K. Verma  
Company Secretary

Sd/-  
Narayanprasad Agarwal  
Director  
(DIN NO: 00060384)

Sd/-  
Paresh K. Thothawala  
Partner  
M.No. 48435

Sd/-  
R. K. Saklani  
C.F.O.

Sd/-  
Pawankumar Agarwal  
Managing Director  
(DIN NO: 00060418)

Date : 31/05/2017  
Place : Ahmedabad

Date : 31/05/2017  
Place : Ahmedabad

**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31 ST MARCH, 2017**

| PARTICULARS  | NOTES     | Year Ended<br>31/03/2017<br>Amount in Rs. | Year Ended<br>31/03/2016<br>Amount in Rs. |
|--|-----------|---|---|
| <b>INCOME</b>  |           |   |   |
| Revenue from Operations  | "20"      | 437,353,865                               | 383,723,485                               |
| Other Income   | "21"      | 16,729,114                                | 10,067,519                                |
|  |           | <b>454,082,980</b>                        | <b>393,791,003</b>                        |
| <b>EXPENDITURE</b>   |           |   |   |
| Purchase of Stock in Trade   | "22"      | 235,170,663                               | 233,527,654                               |
| Change in Inventories of Finished Goods & Stock in Trade                   | "23"      | 30,782,528                                | (12,789,156)                              |
| Employee Benefits Expenses   | "24"      | 24,766,135                                | 25,737,396                                |
| Financial Costs  | "25"      | 52,346,822                                | 53,875,636                                |
| Depreciation   | "10"      | 13,096,169                                | 11,061,120                                |
| Other Expenses   | "26"      | 149,262,181                               | 134,744,477                               |
|  |           | <b>505,424,498</b>                        | <b>446,157,128</b>                        |
| <b>PROFIT/(LOSS) BEFORE TAX &amp; EXCEPTIONAL AND EXTRA ORDINARY ITEMS</b> |           | <b>(51,341,518)</b>                       | <b>(52,366,124)</b>                       |
| Provision for Current Taxes  | "27"      | 4,350,000                                 | -   |
| Provision for Deferred Taxes   | "28"      | (4,530,917)                               | (12,793,162)                              |
| <b>Earlier Periods</b>   |           |   |   |
| Income Tax   |           | 3,682,544                                 | 3,229,409                                 |
| <b>PROFIT/(LOSS) AFTER TAX &amp; EXCEPTIONAL AND EXTRA ORDINARY ITEMS</b>  |           | <b>(54,843,145)</b>                       | <b>(42,802,371)</b>                       |
| Exceptional & Extra Ordinary Items   | "29"      | (63,123,880)                              | (322,685)                                 |
| <b>PROFIT/(LOSS) FOR THE YEAR</b>  |           | <b>8,280,735</b>                          | <b>(42,479,687)</b>                       |
| <b>Basic/Diluted Earnings/(Loss) Per Share(Rs.)</b>                        |           | <b>1.66</b>                               | <b>(8.53)</b>                             |
| Significant Accounting Policies  | "1 to 35" |   |   |
| <b>Notes on Financial Statements</b>                                       |           |   |   |

As Per our Report of Even Date

On Behalf of Board of  
Frontline Corporation Ltd

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

Sd/-  
S. K. Verma  
Company Secretary

Sd/-  
Narayanprasad Agarwal  
Director  
(DIN NO: 00060384)

Sd/-  
Paresh K. Thothawala  
Partner  
M.No. 48435

Sd/-  
R. K. Saklani  
C.F.O.

Sd/-  
Pawankumar Agarwal  
Managing Director  
(DIN NO: 00060418)

Date : 31/05/2017  
Place : Ahmedabad

Date : 31/05/2017  
Place : Ahmedabad

**CASH FLOW STATEMENT FOR THE PERIOD APRIL 2016 TO MARCH 2017**

| Particulars  | For the year ended  |                      |
|--|---------------------|----------------------|
|  | 31st March,<br>2017 | 31st March,<br>2016  |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>          |                     |                      |
| Net Profit before tax and extraordinary items          | (51,341,518)        | (52,366,124)         |
| <b>Adjusted for</b>                                    |                     |                      |
| Depreciation   | 13,096,169          | 11,061,120           |
| Interest Income  | (9,546,124)         | (9,596,916)          |
| Interest Expenses                                      | 52,346,822          | 53,875,636           |
| Provisions   | 4,076,974           | 7,344,168            |
| (Profit) / Loss on sale of Investments                 | 8,010               | -                    |
| Prior Period Adjustment of Defined Benefit Obligation  | -                   | -                    |
|  | <b>59,981,852</b>   | <b>62,684,008</b>    |
| <b>Operating Profit Before Working Capital Changes</b> | <b>8,640,333</b>    | <b>10,317,884</b>    |
| <b>Adjusted for</b>                                    |                     |                      |
| Trade & Other Receivables                              | (27,071,477)        | 3,907,874            |
| Stock in Hand  | 30,785,649          | (12,786,035)         |
| Trade Payable, Other Current Liab. & Provision         | (35,031,999)        | 137,362,220          |
|  | <b>(31,317,827)</b> | <b>128,484,059</b>   |
| <b>Cash Generated from Operations</b>                  | <b>(22,677,494)</b> | <b>138,801,943</b>   |
| Direct Taxes Paid                                      | 2,105,831           | 3,309,700            |
| <b>Cash Flow Before Extra-ordinary Items</b>           | <b>(24,783,325)</b> | <b>135,492,243</b>   |
| Extra-ordinary Items:                                  | (57,296,540)        | -                    |
| Compensation   |                     |                      |
| Prior period adjustments                               | 272,002             | 222,428              |
| <b>Cash Flow from Operating Activities</b>             | <b>32,241,213</b>   | <b>135,269,815</b>   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>          |                     |                      |
| Purchase of Fixed Assets                               | (4,646,597)         | (32,699,158)         |
| Disposal of Fixed Assets                               | 6,499,360           | 3,577,500            |
| Increase in Capital Work in Progress                   | 1,992,421           | -                    |
| Movement in Loans & Advances                           | 4,088,2178          | (111,035)            |
| Interest Received                                      | 9,546,124           | 9,596,916            |
| Investment in Fixed Deposits                           | -                   | 1,111,802            |
| Investment during the year                             | (2,358,011)         | 100,000              |
| <b>Net Cash from Investing Activities</b>              | <b>15,121,515</b>   | <b>(18,423,975)</b>  |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>          |                     |                      |
| Proceeds from Issue of Share Capital                   | -                   | -                    |
| Proceeds from Long Term Borrowing                      | 362,000             | 25,836,000           |
| Proceeds from Working Capital Limit                    | 17,486,702          | (74,157,022)         |
| Repayment of Long Term Borrowing                       | 13,340,190)         | (8,901,074)          |
| Movement in Unsecured Loans                            | (2,593,511)         | (5,154,963)          |
| Interest Paid  | (52,346,822)        | (53,875,636)         |
| Loan transferred to Capital Reserve                    | 1,983,524           | -                    |
| Dividend & Corporate Dividend Tax Paid                 | -                   | -                    |
| <b>Net Cash from Financing Activities</b>              | <b>(48,448,297)</b> | <b>(116,252,695)</b> |
| <b>Net Cash Flows During the Year (A+B+C)</b>          | <b>(1,085,569)</b>  | <b>593,144</b>       |
| <b>Opening Balance of Cash and Cash Equivalents</b>    | <b>6,691,082</b>    | <b>6,097,938</b>     |
| <b>Closing Balance of Cash and Cash Equivalents</b>    | <b>5,605,513</b>    | <b>6,691,082</b>     |

**Notes:**

1. T1. 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 balance with banks.

|                       | <b>As at<br/>31.03.2017</b> | <b>As at<br/>31.03.2016</b> |
|-----------------------|-----------------------------|-----------------------------|
| Cash in hand          | 854,957                     | 1,061,423                   |
| Balances with banks:- |                             |                             |
| - In Current Accounts | 3,960,556                   | 3,557,857                   |
| - In Fixed Deposits   | 790,000                     | 2,071,802                   |
|                       | <u><u>5,605,513</u></u>     | <u><u>6,691,082</u></u>     |

On Behalf of Board of  
Frontline Corporation Ltd

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

**Sd/-**  
**S. K. Verma**  
**Company Secretary**

**Sd/-**  
**Narayanprasad Agarwal**  
**Director**  
**(DIN NO: 00060384)**

**Sd/-**  
**Paresh K. Thothawala**  
**Partner**  
**M.No. 48435**

**Sd/-**  
**R. L. Saklani**  
**C.F.O.**

**Sd/-**  
**Pawankumar Agarwal**  
**Managing Director**  
**(DIN NO: 00060418)**

**Date : 31/05/2017**  
**Place : Ahmedabad**

**Date : 31/05/2017**  
**Place : Ahmedabad**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

**General Information**

Frontline Corporation Ltd. ("the Company") is engaged in the services of Transportation and Automobile parts & Lubricants, Renting of Property and production of wind energy. The company has its operations mainly in India.

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of Preparation of Financial Statements**

The company follows accrual method of accounting and the Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the Relevant Provisions of The Companies Act, 2013.

The Financial statements are presented in Indian Rupees rounded off to the nearest rupee. Previous year figures are regrouped and rearrange wherever necessary to conform to the current year presentation.

**1.2 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.

**1.3 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) Provision is made for obsolete, slow-moving and defective stocks, where necessary.

**1.4 Fixed Assets and Depreciation:**

**Tangible Fixed Assets:**

(a) Fixed asset are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of an item of tangible fixed assets comprises its purchase price, including import duties and other non-refundable taxes or levies and any attributable costs of bringing the asset to its working condition for intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

(b) Advance paid towards acquisition of tangible fixed assets outstanding at each Balance Sheet date, are shown under long-term loans and advances and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress. All costs relating to the acquisition and installation of fixed assets are capitalised until the asset is ready for use.

**Depreciation on Tangible:**

Depreciation on Fixed Assets is provided on Straight Line Method (SLM) and is systematically allocated over the useful life of an asset as specified in part C of Schedule II of The Companies

Act, 2013. 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.

**Intangible Assets and Amortisation:**

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) |
|------------------|-------------------------------|
| Software         | 3 years                       |

**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.

**1.5 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. Reversal of impairment loss is recognised as income in the statement of profit & loss.

**1.6 Borrowing Cost:**

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustment to interest cost) incurred by the company in connection with the borrowing of fund. Borrowing costs that are directly 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 the statement of profit and loss.

**1.7 Leases:**

Asset taken on lease by the Company in its capacity as lessee, where the Company has substantially assumed all risks and rewards of ownership are classified as finance lease. Such a lease is capitalised at the inception of the lease period at lower of fair value or present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lesser, are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straight line basis.

**1.8 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 when the related service performed. 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 respect of Trading Activities, Sales is recognised at the time of dispatch of Goods to customers. The company collects value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Sales stated net of return and trade discount.
- (d) In respect of rent Income, revenue is recognised on accrual basis except in case where ultimate collection is considered doubtful.

**Other Income**

- (a) In respect of Interest Income, revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (b) In respect of Dividend Income, revenue is recognised when the right to receive payments is established.

**1.9 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.

**1.10 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 statement of profit and loss account.

Premium or discount on forward contracts where there are underlying assets/liabilities are amortised over the life of the contract. Such foreign exchange contracts are revalued at the balance sheet date and the exchange difference between the spot rate at the date of the contract and spot rate on the balance sheet date is recognised as gain/loss in the statement of profit and loss.

**1.11 Accounting for employee benefits:**

**A. Post Retirement Benefits:**

**(a) 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.

**(b) 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.

**B. Other Employee Benefits:**

**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.

**1.12 Taxes on Income:**

(a) Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the income tax act, 1961.

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.

**1.13 Cash & Cash Equivalents:**

Cash and cash equivalents for the purpose of cash flow statement comprise of cash at bank and in hand and short term investments/bank deposits with an original maturity of three months or less.

**1.14 Provision:**

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**1.15 Contingent Liabilities:**

Contingent liabilities exist and are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of company, unless the possibility of an outflow is remote. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required or a reliable estimate of the amount cannot be made is termed as contingent liability.

**1.16 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.

**1.17 Earnings per Share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.



**NOTES FORMING PART OF THE BALANCE SHEET**

**Note 2: Share Capital**

| Particulars  | 31/03/2017        | 31/03/2016        |
|--|-------------------|-------------------|
| <b>Authorised Capital</b>  |                   |                   |
| 60,00,000 Equity Shares (P.Y. 60,00,000 Equity Shares) OF RS.10/- each | 60,000,000        | 60,000,000        |
| <b>Issued &amp; Subscribed and Paid up</b>                             |                   |                   |
| 50,00,000 Equity Shares (P.Y. 50,00,000 Equity Shares) of RS.10/-each  | 50,000,000        | 50,000,000        |
| Less : Calls In Arrear   | 225,500           | 225,500           |
|  | <b>49,774,500</b> | <b>49,774,500</b> |

**2.1 The details of Shareholders holding more than 5% Shares**

| Name of the Share Holder                                 | As at 31st March 2017 |        | As at 31st March 2016 |        |
|--|-----------------------|--------|-----------------------|--------|
|  | No of Shares          | % held | No of Shares          | % held |
| Ram Prasad Agarwal                                       | 388722                | 7.77   | 388722                | 7.77   |
| Pawan Kumar Agarwal                                      | 250266                | 5.01   | 250266                | 5.01   |
| Rewa Devi Agarwal  | 26486                 | 0.53   | 251400                | 5.03   |
| Chinniyam C  | 466982                | 9.34   | 380000                | 7.60   |
| Ramalakshmi Rotar Spinning and Exporting Company Pvt Ltd | 533605                | 10.67  | 280000                | 5.60   |
| S Balaji   | 311413                | 6.23   | 280000                | 5.60   |
| R Thangavelu   | 0                     | 0.00   | 279000                | 5.58   |

**2.2 The reconciliation of the number of shares outstanding is set out below :**

| Particulars                                | As at 31st March 2017<br>No. of Shares | As at 31st March 2016<br>No. of Shares |
|--|--|--|
| Equity Shares at the beginning of the year | 5,000,000                              | 5,000,000                              |
| Add : Shares issued                        | -                                      | -                                      |
| Equity Shares at the end of the year       | 5,000,000                              | 5,000,000                              |

**2.3 Terms/Rights attached to Equity Shares**

The Company has only one class of Equity Shares having Par Value of Rs 10/- per Share. Each holder of Equity Share is entitled to one vote per share.

2.4 Calls in Arrear are pending for Rs 5/- per share on 45,100 Equity Shares.

2.5 In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The holders of Partly Paid Equity Shares will have to contribute unpaid amount on the Equity Shares held by them.

**Note 3 : Reserves & Surplus**

| Particulars  | 31/03/2017        | 31/03/2016       |
|--|-------------------|------------------|
| <b>Profit &amp; Loss A/c.</b>                                  |                   |                  |
| Opening Balance  | 5,416,428         | 47,896,114       |
| Add: Profit/(Loss) transferred from Profit & Loss for the year | 8,280,735         | (42,479,687)     |
| Less : Retain Earning  | -                 | -                |
| Less: Transferred to Reserves                                  | -                 | -                |
|  | <u>13,697,163</u> | <u>5,416,428</u> |
| <b>Capital Reserve</b>   |                   |                  |
| Opening Balance  | -                 | -                |
| Add:- Addition during the year *                               | 1,983,524         | -                |
|  | <u>1,983,524</u>  | <u>-</u>         |
| Total Reserve & Surplus  | <u>15,680,687</u> | <u>5,416,428</u> |

\* For Capital Reserve read Note No. 29.3

**Note 4 : Long Term Borrowing**

| Particulars                      | 31/03/2017        | 31/03/2016        |
|----------------------------------|-------------------|-------------------|
| <b>Secured</b>                   |                   |                   |
| Term Loans from Banks            | -                 | 849,000           |
| Term Loans –Others               | 12,219,260        | 21,014,926        |
|                                  | <u>12,219,260</u> | <u>21,863,926</u> |
| <b>Unsecured</b>                 |                   |                   |
| From Body Corporate              |                   |                   |
| - Related Parties                | 4,525,775         | 4,000,020         |
| From Directors                   | 1,000,000         | 4,119,266         |
|                                  | <u>5,525,775</u>  | <u>8,119,286</u>  |
| <b>TOTAL LONG TERM BORROWING</b> | <u>17,745,035</u> | <u>29,983,212</u> |

- 4.1 Term Loan (Secured) from HDFC Bank Ltd in form of Working Capital Demand Loan facility secured against Hypothecation of inventories, book debts and commercial vehicles of the Company as well as by way of mortgage of some of the property of the company. The bank is also holding personal guarantee of some of the Directors of the company. The said loan carries interest rate @ 14.75% p.a. and The Loan is repayable in Monthly Installment of Rs. 3,40,000/- each along with interest. (Current Year - Balance Outstanding - 849000/- (Shown as current maturity of Long Term Loans) P. Y. Balance Outstanding Rs. 4929000/-)
- 4.2 The terms of repayment not yet finalized for Unsecured Loan from Body Corporate, Related Parties and Others. Rate of Interest is charged @ 14.5% per annum.
- 4.3 Term loan (secured) from India Infoline Finance Ltd. In form of commercial vehicle finance facility secured against hypothecation of commercial vehicle of the company as well as by way of hypothecation of some of the commercial vehicle of the company. The financier is also holding personal guarantee of managing director of the company, The Said loan carries interest rate @ 13.50% p.a. and The loan is repayable in monthly equated installment of Rs. 172487/- and 197128/- each inclusive of interest. (Current year - Balance Outstanding Rs. 9367374/- P. Y. Balance Outstanding Rs. 12275277/-)
- 4.4 Term loan (secured) from Tata Motors Finance Ltd. In form of commercial vehicle finance facility secured against hypothecation of commercial vehicle of the company as well as by way of hypothecation of some of the commercial vehicle of the company. The financier is also holding

personal guarantee of managing director of the company, The Said loan carries interest rate @ 14% p.a. and The loan is repayable in monthly equated installment of Rs. 342468/- each inclusive of interest. (Current year- Balance Outstanding Rs. 8381069/- P. Y. Balance Outstanding Rs. 11066887/-)

- 4.5 Term loan (secured) from Kotak Mahindra Prime Ltd. In form of motor vehicle finance facility secured against hypothecation of motor vehicle of the company. The Said loan carries interest rate @ 9.50% p.a. and the loan is repayable in monthly equated installment of Rs. 11598/- each inclusive of interest. (Current year- Balance Outstanding Rs. 287013/- P. Y. Balance Outstanding Rs. NIL)

**Note 5: Other Long Term Liability**

| Particulars                         | 31/03/2017        | 31/03/2016        |
|-------------------------------------|-------------------|-------------------|
| Trade Payable                       | 69,724,951        | 69,724,951        |
| Security Deposit and Trade advances | 376,000           | 7,377,500         |
|                                     | <u>70,100,951</u> | <u>70,100,951</u> |

Company has not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006. Hence Disclosures, if any, relating to amounts unpaid as at the year end, together with interest paid/ payable as required under the said Act have not been made.

**Note 6: Short Term Borrowings**

| Particulars  | 31/03/2017         | 31/03/2016         |
|--|--------------------|--------------------|
| <b>Secured</b>                                     |                    |                    |
| Working Capital Loans from Banks payable on demand | 371,467,783        | 354,155,740        |
| <b>Unsecured</b>                                   |                    |                    |
| Loans & Advances from Related Parties              | -                  | -                  |
|  | <u>371,467,783</u> | <u>354,155,740</u> |

- 6.1 Working Capital Facilities are secured by hypothecation of inventories, Book Debts and commercial vehicles of the company as well as by way of mortgage of some of the property of the company. The Bank is also holding personal guarantee of some of the Directors of the company as well as Corporate Guarantee of other group Companies.
- 6.2 Working Capital Loans from bank includes Rs 1714.68 Lac against Cash Credit Limit and Rs. 2000.00 Lac against Export Packing Credit Limit from Punjab and Sind Bank has been slipped to Non Performing Assets with effect from 31-03-2012. The company has also defaulted in interest payable on said loan amounting to Rs 1,87,12,287/- for the period from 01/04/2013 to 31/03/2014 and Rs. 4,69,38,398/- for the period from 01/04/2014 to 31/03/2015 and Rs. 48102318/- for the period from 01/04/2015 to 31/03/2016 and Rs. 16837421/- for the period from 01/04/2016 to 31/03/2017.

| Name of Bank        | Nature of Account             | Period of Interest  | Amount of Interest  |
|---------------------|-------------------------------|---------------------|---------------------|
| Punjab & Sind Bank  | Cash Credit Account           | 1/4/2013-31/03/2017 | 4,62,53,003         |
| Punjab & Sind Bank* | Export Packing Credit Account | 1/4/2013-31/03/2017 | 7,31,62,579         |
| <b>Total</b>        |                               |                     | <b>11,94,15,582</b> |

\*As per guidelines issued by Reserve Bank of India Interest @ 18.5% per annum amounting to Rs 3,70,00,000/- should be provisioned on Export packing Credit loan, however the above amount is calculated @ 11.25% per annum amounting to Rs 2,25,00,000/-.

**Note 7: Trade Payables**

| Particulars                       | 31/03/2017               | 31/03/2016               |
|-----------------------------------|--------------------------|--------------------------|
| Micro, Small & Medium Enterprises | -                        | -                        |
| Others                            | 47,030,149               | 38,846,313               |
|                                   | <b><u>47,030,149</u></b> | <b><u>38,846,313</u></b> |

Company has not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006. Hence Disclosures, if any, relating to amounts unpaid as at the year end, together with interest paid/ payable as required under the said Act have not been made.

**Note 8: Other Current Liabilities**

| Particulars   | 31/03/2017                | 31/03/2016                |
|---|---------------------------|---------------------------|
| Current Maturities of Long Term Debts (Refer Note No 4) | 6,665,196                 | 9,824,061                 |
| Other Payables*   | 161,141,812               | 204,454,415               |
|   | <b><u>167,807,008</u></b> | <b><u>214,278,476</u></b> |

\* Other Payables includes Statutory Dues and advance from Customers.

**Particulars of Continuing Default**

|                               |            |                  |
|-------------------------------|------------|------------------|
| Term Loan from Others         |            |                  |
| Period of Default (in Months) | <b>NIL</b> | <b>72</b>        |
| Amount                        | <b>NIL</b> | <b>7,728,201</b> |

**Note 9: Short Term Provisions**

| Particulars                     | 31/03/2017              | 31/03/2016              |
|---------------------------------|-------------------------|-------------------------|
| Provision for Employee Benefits | 2,671,735               | 2,574,967               |
|                                 | <b><u>2,671,735</u></b> | <b><u>2,574,967</u></b> |

## NOTE- "10" FIXED ASSETS

| GROSS BLOCK |                                  |                  |                |                        |                  | Depreciation     |                 |                 |                  | NET BLOCK        |                  |
|-------------|----------------------------------|------------------|----------------|------------------------|------------------|------------------|-----------------|-----------------|------------------|------------------|------------------|
| Sr No.      | Particulars                      | As On 01/04/2016 | Additions      | Deletions/ Adjustments | As on 31/03/2017 | As on 01/04/2016 | For the Year    | Deletions       | As on 31/03/2017 | As on 31/03/2017 | As on 31/03/2016 |
| (A)         | Intangible Asset                 |                  |                |                        |                  |                  |                 |                 |                  |                  |                  |
|             | SOFTWARE                         | 339140           | 2800.00        | 296698                 | 45242            | 304737           | 23532           | 296696          | 31572            | 13670            | 34403            |
|             | <b>TOTAL (A)</b>                 | <b>339140</b>    | <b>2800</b>    | <b>296698</b>          | <b>45242</b>     | <b>304737</b>    | <b>23532</b>    | <b>296696</b>   | <b>31572</b>     | <b>13670</b>     | <b>34403</b>     |
| (B)         | Tangible Asset                   |                  |                |                        |                  |                  |                 |                 |                  |                  |                  |
| I           | LAND                             | 99637581         | -              | -                      | 99637581         | -                | -               | -               | -                | 99637581         | 99637581         |
| II          | BUILDING                         | 146407888        | 2698776        | 405401                 | 148701263        | 26622829         | 3122776         | 68041           | 29677564         | 119023699        | 119785059        |
| III         | PLANT & MACHINERY AND EQUIPMENTS | 135366911        | 243943         | 8791990                | 126818864        | 108236121        | 3458585         | 8791994         | 102902713        | 23916152         | 27130790         |
| IV          | FURNITURE & FIXTURES             | 5639334          | 222586         | 3121798                | 2740122          | 5057991          | 243606          | 3121798         | 2179799          | 560323           | 581343           |
| V           | VEHICLES                         | 129354725        | 1478492        | 25013052               | 105820165        | 101308886        | 6247670         | 24950393        | 8260163          | 23214002         | 28045839         |
|             | <b>TOTAL (B)</b>                 | <b>516406439</b> | <b>4643797</b> | <b>37332241</b>        | <b>483717995</b> | <b>241225827</b> | <b>13072638</b> | <b>36932226</b> | <b>217366239</b> | <b>266351756</b> | <b>275180612</b> |
|             | <b>GRAND TOTAL</b>               | <b>516745579</b> | <b>4646597</b> | <b>37628939</b>        | <b>483763237</b> | <b>241530563</b> | <b>13096169</b> | <b>37228922</b> | <b>217397811</b> | <b>266365426</b> | <b>275215015</b> |
|             | Previous Year                    | 488996154        | 32699158       | 4949733                | 516745579        | 232386789        | 11061120        | 1917346         | 241530563        | 275215015        | 256609361        |
|             | Capital Work in Progress         | <b>1992421</b>   | <b>11492</b>   | <b>2003913</b>         | -                |                  |                 |                 |                  |                  |                  |

**Capital Work in Progress**

10.1 Following properties has been given as Collateral Securities to UCO Bank and J&K Bank in respect of various credit facilities enjoyed by Fairdeal Supplies Ltd a group company and these properties have been symbolically possessed by the UCO Bank. Please refer the details in Note No. 31 in Notes on Accounts:-

| FIXED ASSETS                     | GROSS BLOCK           |                |           |                    | DEPRECIATION     |                        |                          |                        |                 | NET BLOCK        |                  |
|----------------------------------|-----------------------|----------------|-----------|--------------------|------------------|------------------------|--------------------------|------------------------|-----------------|------------------|------------------|
|                                  | Cost as on 01.04.2016 | Additions      | Deletions | Cost as 31.03.2017 | As On 01.04.2016 | Addition / Adjustments | 01.04.2016 to 31.03.2017 | Deletions/ Adjustments | Total           | As on 31.03.2017 | As on 31.03.16   |
| Building (at B.K.M. road Howrah) | 456548                | -              | -         | 456548             | 138858           | -                      | 7609                     | -                      | 146467          | 310081           | 317690           |
| Building (Boundry Wall)          | 3756567               | 2003913        | -         | 5760480            | 403919           | -                      | 82092                    | -                      | 486011          | 5274469          | 3352648          |
| Godown                           | 39555897              | -              | -         | 39555897           | 10188175         | -                      | 1318530                  | -                      | 11506705        | 28049192         | 29367721         |
| Land & Site Development          | 96338927              | -              | -         | 96338927           | -                | -                      | -                        | -                      | -               | 96338927         | 96338927         |
| WeighBridge                      | 3248488               | -              | -         | 3248488            | 2942455          | -                      | 211872                   | -                      | 3154327         | 94161            | 306033           |
| <b>Total</b>                     | <b>143356427</b>      | <b>2003913</b> | <b>-</b>  | <b>145360340</b>   | <b>13673407</b>  | <b>-</b>               | <b>1620103</b>           | <b>-</b>               | <b>15293510</b> | <b>130066830</b> | <b>129683020</b> |

10.2 Punjab & Sind Bank has taken Symbolic Possession of following sub leased property at Gandhi Nagar towards recovery amount due. However the company has protested the contention in case filed by the Bank in Debt Recovery Tribunal Kolkata.

| FIXED ASSETS | GROSS BLOCK           |           |           |                    | DEPRECIATION     |                        |                          |                        |          | NET BLOCK        |                |
|--------------|-----------------------|-----------|-----------|--------------------|------------------|------------------------|--------------------------|------------------------|----------|------------------|----------------|
|              | Cost as on 01.04.2016 | Additions | Deletions | Cost as 31.03.2017 | As On 01.04.2016 | Addition / Adjustments | 01.04.2014 to 31.03.2017 | Deletions/ Adjustments | Total    | As on 31.03.2017 | As on 31.03.16 |
| Building     | 90018791              | -         | -         | 90018791           | 12735012         | -                      | 1500313                  | -                      | 14235325 | 75783466         | 77283779       |

**Note 11 : Non Current Investments**

| Particulars                                 | 31/03/2017        | 31/03/2016        |
|---|-------------------|-------------------|
| Investment in Immovable Properties(At Cost) | 67,111,549        | 67,111,549        |
| <b>TOTAL</b>                                | <b>67,111,549</b> | <b>67,111,549</b> |

\* Punjab & Sindh Bank has taken physical possession of the Property Situated at Kolkatta Shown as investment in immovable property

**Note 12: Deferred Tax Assets (Net)**

| Particulars            | 31/03/2017          | 31/03/2016          |
|------------------------|---------------------|---------------------|
| Deferred Tax Liability | 14,604,283          | 15,671,906          |
| Deferred Tax Assets    | 46,414,858          | 42,951,564          |
|                        | <b>(31,810,575)</b> | <b>(27,279,658)</b> |

**Deferred Tax**

|    | Particulars  | Year Ended           |                      |
|----|--|----------------------|----------------------|
|    |  | 31/03/17             | 31/03/16             |
| A. | The movement in deferred tax account is as follows:  |                      |                      |
|    | Opening Balance  | (2,72,79,658)        | (1,44,86,496)        |
|    | Provision for current year deferred tax liability(net)   | (45,30,917)          | (1,27,93,162)        |
|    | Closing balance of deferred tax liability/(Assets)   | <b>(3,18,10,575)</b> | <b>(2,72,79,658)</b> |
| 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   | 1,46,04,283          | 1,56,71,906          |
|    | Deferred Tax Assets  | (4,64,14,858)        | (4,29,51,564)        |
|    |  | <b>(3,18,10,575)</b> | <b>(2,72,79,658)</b> |

| Particulars   | Opening              | Charged / Credited To P&L | Closing              |
|---|----------------------|---------------------------|----------------------|
| <b>Deferred Tax Liabilities</b><br>Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return | 1,56,71,906          | (10,67,623)               | 1,46,04,283          |
| <b>TOTAL (A)</b>  | <b>1,56,71,906</b>   | <b>(10,67,623)</b>        | <b>1,46,04,283</b>   |
| <b>Deferred Tax Assets</b><br>Tax impact of expenses charged in the financial statements but allowable in future years under income tax                   |                      |                           |                      |
| Bonus Payable   | 1,96,163             | (3,535)                   | 1,92,628             |
| Unabsorbed Depreciation   | 34,650               | (34,650)                  | NIL                  |
| Expenses Disallowed u/s. 43B  | 3,90,92,466          | 52,02,763                 | 4,42,95,229          |
| Business Losses   | 10,82,973            | (10,82,973)               | NIL                  |
| Capital Losses  | 2,48,775             | NIL                       | 2,48,775             |
| Provision. Doubtful Advances  | 18,56,245            | (14,28,296)               | 4,27,949             |
| Provision Doubtful Debts  | 4,40,292             | 8,09,985                  | 12,50,277            |
| <b>TOTAL(B)</b>   | <b>4,29,51,564</b>   | <b>34,63,294</b>          | <b>4,64,14,858</b>   |
| <b>Net Deferred Tax Liability/(Assets) (A-B)</b>  | <b>(2,72,79,658)</b> | <b>(45,30,917)</b>        | <b>(3,18,10,575)</b> |

**Note 13 : Long Term Loans & Advances**

| Particulars                         | 31/03/2017                | 31/03/2016                |
|-------------------------------------|---------------------------|---------------------------|
| (Unsecured and Considered Good)     |                           |                           |
| Capital Advances                    | 2,739,000                 | 2,739,000                 |
| Security Deposits                   | 16,109,430                | 16,399,88                 |
| Loans & Advances to Related Parties | -                         | -                         |
| Other Loans & Advances              | 116,862,703               | 120,660,463               |
|                                     | <b><u>135,711,133</u></b> | <b><u>139,799,351</u></b> |

13.1 Capital Advance includes payment made for advance against purchase of Land amounting to Rs. 24,70,000/- (P. Y. Rs. 24,70,000) but no agreement was executed in respect thereof. Total Capital Advances of Rs. 27,39,000 are considered doubtful for recovery but no provision has been made in respect thereof.

13.2 Other loans and advances includes Rs.5,96,57,498/- (Previous year Rs. 6,50,56,579/-) towards Loan provided Gateway Commodities (P) Ltd.

**Note 14 : Trade Investments**

| Particulars  | 31/03/2017              | 31/03/2016              |
|--|-------------------------|-------------------------|
| <b>Shares &amp; Securities</b>                               |                         |                         |
| <b>Trade Short Term (At Cost)</b>                            |                         |                         |
| A.Quoted Equity Shares (Fully Paid Up)                       | <b>Face Value</b>       | <b>Nos.</b>             |
|  | <b>Amount</b>           | <b>Amount</b>           |
| Equity shares of Shree Ashtavinayak                          | 10.00                   | 609,676.00              |
|  | <u>2,350,340</u>        | <u>2,350,340</u>        |
|  | <b>2,350,340</b>        | <b>2,350,340</b>        |
| <b>(Aggregate Market Value of Quoted Investments)</b>        |                         |                         |
|  | <b>4,93,838</b>         | <b>4,93,838</b>         |
| <b>Units</b>   |                         |                         |
| Investment in Mutual Fund<br>(Franklin Templeton Collection) | 60,688.886              | 1,350,000               |
| Investment in Bonds (Birla Dynamic)                          | 33,736.598              | 1,000,000               |
|  |                         | 2,350,000               |
|  |                         | -                       |
| (Aggregate Market Value of Quoted Mutual Fund Investments)   | <u>23,30,443</u>        | -                       |
| <b>TOTAL</b>   | <b><u>4,700,340</u></b> | <b><u>2,350,340</u></b> |

**Note 15 : Inventories**

| Particulars                | 31/03/2017               | 31/03/2016                |
|----------------------------|--------------------------|---------------------------|
| Consumables Stores & Tools | 4,161                    | 7,282                     |
| Stock in Trade             | 94,908,779               | 125,691,308               |
|                            | <b><u>94,912,941</u></b> | <b><u>125,698,590</u></b> |

15.1 Physical verification of Inventory has been conducted by management as well as internal auditors at reasonable interval.

15.2 Valuation of Inventory has been certified by the management.



**Note 16: Trade Receivable**

| Particulars   | 31/03/2017        | 31/03/2016        |
|---|-------------------|-------------------|
| Unsecured Considered Good Debts Outstanding For a period Exceeding Six Months | 3,078,919         | 10,422,416        |
| Others  | 88,245,051        | 58,451,586        |
|   | <b>91,323,970</b> | <b>68,874,002</b> |
| Unsecured Considered Doubtful Outstanding For a period exceeding six month    | 11,383,467        | 8,732,752         |
| Others  | -                 | -                 |
| Less: Provisions  | 5,727,747         | 3,077,032         |
| Less: Provision for Claim   | 5,655,720         | 5,655,720         |
|   | <b>91,323,970</b> | <b>68,874,002</b> |

**16.1 Provisions for Claims:**

| Nature of Liability | Provisions as on 01.04.2016 | Additions | Amount used | Reversal, if any during the year | Provision as on 31-3-2017 |
|---------------------|-----------------------------|-----------|-------------|----------------------------------|---------------------------|
| Claims              | 56,55,720                   | Nil       | Nil         | Nil                              | 56,55,720                 |
| Total               | 56,55,720                   | Nil       | Nil         | Nil                              | 56,55,720                 |

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 the company and past empirical experience, necessary provision has been made as per the best judgement.

16.2 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.

**Note 17: Cash & Bank Balances**

| Particulars                       | 31/03/2017       | 31/03/2016       |
|-----------------------------------|------------------|------------------|
| <b>CASH &amp; BANK EQUIVALENT</b> |                  |                  |
| Cash On Hand                      | 854,957          | 1,061,423        |
| Balances with Banks               | 3,960,556        | 3,557,857        |
| In Fixed Deposits with Banks*     | 790,000          | 2,071,802        |
| <b>OTHER BANK BALANCES</b>        |                  |                  |
| In Fixed Deposits with Banks*     | 60,000           | 60,000           |
|                                   | <b>5,665,513</b> | <b>6,751,082</b> |

17.1 \*Fixed Deposits of Rs. 7, 50,000/- (P.Y. 12, 31, 802/-) are pledged with banks for various facilities.

17.2 Cash balance has been certified by the Management.

**17.3 Detail of SBN Currency for the period 09.11.2016 to 30.12.2016**

| Particulars                           | SBNs     | Other denomination notes | Total          |
|---------------------------------------|----------|--------------------------|----------------|
| Closing Cash in hand as on 08.11.2016 | 850500   | 1316564                  | 2167064        |
| Permitted receipts                    | 0        | 4864008                  | 4864008        |
| Permitted payments                    | 510000   | 5088449                  | 5598449        |
| Amount deposited in banks             | 340500   | 76000                    | 416500         |
| Closing cash in hand as on 30.12.2016 | <b>0</b> | <b>1016123</b>           | <b>1016123</b> |

**Note 18: Short Term Loans & Advances**

| Particulars  | 31/03/2017        | 31/03/2016        |
|--|-------------------|-------------------|
| <b>LOAN &amp; ADVANCE</b>                                  |                   |                   |
| Unsecured Considered Doubtful                              |                   |                   |
| Doubtful Advance   | 1,384,947         | 6,007,264         |
| Less: Provision  | 1,384,947         | 6,007,264         |
|  | <u>-</u>          | <u>-</u>          |
| Unsecured Considered Good                                  |                   |                   |
| <b>Loans &amp; Advances</b>                                |                   |                   |
| Recoverable in cash or in Kind or for value to be received | 2,727,048         | 2,643,573         |
| Deposits   | 583,451           | 583,451           |
| Advance Income Tax (Net)                                   | 11,337,373        | 17,264,086        |
| Advances to Suppliers                                      | 2,302,211         | 4,439,235         |
|  | <u>16,950,084</u> | <u>24,930,345</u> |
|  | <b>16,950,084</b> | <b>24,930,345</b> |

18.1 Short Term Loans & Advances includes Rs. 11,337,373 /- (P.Y. Rs. 17,264,086/-) 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 favorable disposal of the same and hence no provision is considered necessary in respect thereof.

**Note 19 : Other Current Assets**

| Particulars      | 31/03/2017        | 31/03/2016        |
|------------------|-------------------|-------------------|
| Other Receivable | 27,726,317        | 25,128,233        |
|                  | <u>27,726,317</u> | <u>25,128,233</u> |

**Note 20 : Revenue From Operations**

| Particulars                             | 31/03/2017         | 31/03/2016         |
|---|--------------------|--------------------|
| Sale of Products                        | 281,074,151        | 242,603,140        |
| - Sale of Automobile Parts & Lubricants | 281,074,151        | 242,603,140        |
| Income from Services                    | 156,030,496        | 140,691,380        |
| - Logistics Operations                  | 134,635,630        | 120,719,882        |
| - Rent Income                           | 3,924,815          | 7,100,654          |
| - Wind Energy                           | 17,470,052         | 12,870,844         |
| Other Operational Income                | 249,218            | 428,965            |
| Less: Excise Duty                       | -                  | -                  |
|   | <u>437,353,865</u> | <u>383,723,485</u> |

**Note 21 : Other Income**

| Particulars  | 31/03/2017        | 31/03/2016        |
|--|-------------------|-------------------|
| Interest on Banks(Gross,T.D.S.Rs.14749/-,P.Y.Rs.26451/-) | 155,284           | 359,282           |
| Interest on Others                                       | 9,390,840         | 9,237,634         |
| Provision No Longer Required Written Back                | 6,329,076         | 49,347            |
| Profit/(Loss) on Sale of Investments                     | (8,010)           | -                 |
| Miscellaneous Income                                     | 861,925           | 421,256           |
|  | <u>16,729,114</u> | <u>10,067,519</u> |

**Note 22 : Purchase of Stock in Trade**

| Particulars                                 | 31/03/2017         | 31/03/2016         |
|---|--------------------|--------------------|
| <b>Goods Traded In</b>                      |                    |                    |
| Purchases                                   | 235,170,663        | 233,527,654        |
| - Purchase of Automobile Parts & Lubricants | 235,170,663        | 233,527,654        |
|   | <u>235,170,663</u> | <u>233,527,654</u> |

**Note 23 : Change in Inventories of Finished Goods & Stock in Trade**

| Particulars                         | 31/03/2017        | 31/03/2016          |
|-------------------------------------|-------------------|---------------------|
| Opening Stock                       | 125,691,308       | 112,902,152         |
| Add : Transferred from raw material | -                 | -                   |
| Less : Closing Stock                | 94,908,779        | 125,691,308         |
|                                     | <u>30,782,528</u> | <u>(12,789,156)</u> |

**Note 24 : Employee Benefit Expenses**

| Particulars                                  | 31/03/2017        | 31/03/2016        |
|--|-------------------|-------------------|
| Salary, Bonus & Allowances                   | 21,225,794        | 21,936,037        |
| Staff Welfare Expense                        | 2,027,409         | 2,462,093         |
| Employers Contribution to P.F., E.S.I., etc. | 1,512,932         | 1,339,266         |
|  | <u>24,766,135</u> | <u>25,737,396</u> |

**As per Accounting Standard 15 "Employee Benefits", the disclosure of Employee benefits as defined in the Accounting Standard are given below:**

| Sr. No.  | Particulars  | 2016-17  | 2015-16  |
|----------|--|----------|----------|
| <b>1</b> | <b>Reconciliation of opening and closing balance of the defined benefit obligation</b> |          |          |
|          | Present value of obligations as at beginning of year                                   | 3338542  | 2894498  |
|          | Interest cost  | 267083   | 231560   |
|          | Current Service Cost   | 321422   | 306398   |
|          | Benefits paid  | (431327) | (114474) |
|          | Actuarial (gain)/loss on obligations   | 50911    | 20560    |
|          | Present Value of Obligation as at end of Year  | 3546631  | 3338542  |
| <b>2</b> | <b>Reconciliation of opening and closing balances of the fair value of plan asset</b>  |          |          |
|          | Fair value of plan assets at beginning of year   | 3743945  | 3274257  |
|          | Expected return on plan assets   | 285539   | 289385   |
|          | Contributions  | 319397   | 294777   |
|          | Benefits paid  | (431327) | (114474) |
|          | Actuarial Gain/(Loss) on Plan assets   | NIL      | NIL      |
|          | Fair value of plan assets at the end of year   | 3917554  | 3743945  |

| Sr. No.  | Particulars  | 2016-17  | 2015-16  |
|----------|--|----------|----------|
| <b>3</b> | <b>Table showing fair value of plan assets</b>   |          |          |
|          | Fair value of plan assets at beginning of year   | 3743945  | 3274257  |
|          | Actual return of plan assets   | 285539   | 289385   |
|          | Contributions  | 319397   | 294777   |
|          | Benefits paid  | (431327) | (114474) |
|          | Fair value of plan assets at the end of year   | 3917554  | 3743945  |
|          | Funded status  | 370923   | 405403   |
|          | Excess of Actual over estimated return on plan assets                                    |          |          |
|          | Actual rate of return = Estimated rate of return as ARD fails on 31 <sup>st</sup> March) | NIL      | NIL      |
| <b>4</b> | <b>Actuarial Gain/Loss recognized</b>  |          |          |
|          | Actuarial (gain)/loss for the year -Obligation   | 50911    | 20560    |
|          | Actuarial (gain)/Loss for the year - plan assets   | NIL      | NIL      |
|          | Total (gain)/Loss for the year - plan assets   | 50911    | 20560    |
|          | Actuarial (gain)/Loss recognized in the year   | 50911    | 20560    |
| <b>5</b> | <b>Amounts to be recognized in the balance sheet</b>                                     |          |          |
|          | Present value of obligations as at the end of year                                       | 3546631  | 3338542  |
|          | Fair value of plan assets as at the end of the year                                      | 3917554  | 3743945  |
|          | Funded status  | 370923   | 405403   |
|          | Net Asset/(liability) recognized in balance sheet  | 370923   | 405403   |
| <b>6</b> | <b>Expenses Recognized in statement of profit &amp; loss</b>                             |          |          |
|          | Current Service cost   | 321422   | 306398   |
|          | Interest cost  | 267083   | 231560   |
|          | Expected return of plan assets   | (285540) | (289385) |
|          | Net actuarial (gain)/Loss recognized in the year   | 50911    | 20560    |
|          | Expenses recognized in statement of profit & loss  | 353876   | 269133   |
|          | <b>Assumptions</b>   |          |          |
|          | Discount Rate  | 8 %      | 8 %      |
|          | Salary Escalation  | 7 %      | 7 %      |

**Note 25 : FINANCIAL CHARGES**

| Particulars            | 31/03/2017        | 31/03/2016        |
|------------------------|-------------------|-------------------|
| Interest on Term Loans | 2,668,223         | 3,040,217         |
| Bank Interest          | 47,784,168        | 49,566,505        |
| Others                 | 1,894,431         | 1,268,915         |
|                        | <u>52,346,822</u> | <u>53,875,636</u> |

\*\* Refer Note No. 6.2

**Note 26 : OTHER EXPENSES**

| Particulars   | 31/03/2017                | 31/03/2016                |
|---|---------------------------|---------------------------|
| <b>Operation Expenses</b>                             |                           |                           |
| Freight Payment                                       | 5,768,944                 | 4,941,829                 |
| Trip Expense And Allowances                           | 27,625,068                | 24,187,074                |
| Diesel Expense  | 57,794,544                | 50,430,900                |
| Claims  | 358,621                   | 2,803,833                 |
| Loading & Unloading Expense                           | 10,950                    | 32,701                    |
| Repair and Maintenance - Machinery                    | 11,900,481                | 12,256,427                |
| Repair and Maintenance - Building                     | 216,486                   | 3,835,925                 |
| Repair and Maintenance - Others                       | 980,506                   | 1,122,259                 |
| Other Operational Expense                             | 5,372,820                 | 4,927,034                 |
|   | <b><u>110,028,421</u></b> | <b><u>104,537,982</u></b> |
| <b>Administrative &amp; Other Expenses</b>            |                           |                           |
| Travelling & Conveyance Expense                       | 1,820,759                 | 2,147,477                 |
| Auditors Remuneration                                 | 500,478                   | 497,351                   |
| Insurance Premium                                     | 3,857,133                 | 2,910,161                 |
| Rates & Taxes   | 577,890                   | 945,829                   |
| Rent  | 2,660,095                 | 2,501,127                 |
| Provision for doubtful debts and advances             | 4,076,974                 | 7,344,168                 |
| Foreign Exchange Fluctuation                          | 715,807                   | 1,649,477                 |
| Bad debt Written off/Sundry Balance Written off (Net) | 12,953,171                | 238,301                   |
| Penalty/Fines   | 2,600                     | -                         |
| Other Administrative Expense                          | 11,898,418                | 11,936,404                |
| Brokerage and commission                              | 170,435                   | 36,200                    |
|   | <b><u>39,233,759</u></b>  | <b><u>30,206,495</u></b>  |
| <b>TOTAL OTHER EXPENSES</b>                           | <b><u>149,262,181</u></b> | <b><u>134,744,477</u></b> |

Payment to Auditors:

| PARTICULAR          | Year ended<br>31/03/2017 | Year ended<br>31/03/2016 |
|---------------------|--------------------------|--------------------------|
| a) Audit Fees       | 435,478                  | 422,351                  |
| b) Taxation Matters | 75,000                   | 75,000                   |

**Note 27 : Provision for Current Taxes**

| Particulars              | 31/03/2017       | 31/03/2016 |
|--------------------------|------------------|------------|
| Provision for Income Tax | 4,350,000        | -          |
|                          | <u>4,350,000</u> | <u>-</u>   |

**Note 28 : Provision for Deferred Taxes**

| Particulars                | 31/03/2017         | 31/03/2016          |
|----------------------------|--------------------|---------------------|
| Provision for Deferred Tax | (4,530,917)        | (12,793,162)        |
|                            | <u>(4,530,917)</u> | <u>(12,793,162)</u> |

**Note 29 : Exceptional & Extra Ordinary Items**

| Particulars                  | 31/03/2017          | 31/03/2016       |
|------------------------------|---------------------|------------------|
| Prior Period Expenses (Net)  | 272,002             | 222,428          |
| ECGC Claim                   | (22,238,766)        | -                |
| Sundry Balances Written Back | (30,663,097)        | -                |
| Interest Waiver on Loan      | (4,394,677)         | -                |
| (Profit) on Sale of Assets   | (60,99,342)         | (545,113)        |
|                              | <u>(631,23,880)</u> | <u>(322,685)</u> |

- \*29.1 ECGC Claim of Rs 222.38 Lac received during the year has been treated as extraordinary income as the details and documentary evidence has not been provided by the bank.
- 29.2 The Company has written back old outstanding creditors with whom some disputes are there regarding supply of services or supply of material.
- 29.3 The company has negotiated with Shri Ram Transport Finance Company Ltd for one time settlement of total outstanding of Rs 77,28,201/- at Rs 13,50,000/- . Out of that settlement the waiver of liability of principal portion of Rs 19,83,524/- has been shown as Capital Reserves and the waiver of interest liability for Rs. 43,94,677/- has been shown as Extra Ordinary income for the year.

**Note 30 : Contingent liabilities not provided for**

| Particulars   | 2016-17               | 2015-16               |
|---|-----------------------|-----------------------|
| Corporate Bank Guarantee  | 3,18,00,00,000        | 3,18,00,00,000        |
| 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  | 49,24,935             | 69,46,025             |
| Suit filed by The New India Insurance Co Ltd to recover amount under The Carries Act  | 2,12,87,770           | 2,12,87,770           |
| <b>TOTAL CONTINGENT LIABILITY</b>   | <b>3,24,63,64,223</b> | <b>3,24,83,85,313</b> |

- 30.1 The company has provided Corporate Bank Guarantee to UCO Bank and J&K Bank in respect of Credit Facilities enjoyed by Fairdeal Supplies Ltd. In respect of such guarantee, company has given some of its Fixed Assets as Collateral Securities. Details of such Fixed Assets have been given in Note No 10.2. UCO Bank has issued demand notice dated 05-08-2012 to the borrowers/guarantors/mortgagors to repay the amount mentioned in the notice being Rs 235,94,31,422.65, failing on which the bank has taken Symbolic Possession of the properties in exercise of powers conferred upon them under the SARFAESI Act, 2002.
- 30.2 In respect of the corporate guarantee given by the company in respect of Credit facilities of Fairdeal Supplies Ltd (a group company) by UCO Bank, Government approval has not been obtained in terms of Section 295 of The Companies Act, 1956.

**Note : 31 Foreign Currency Exposure**

**31.1 Foreign Exchange Exposures not hedged at close of the Year:**

| Nature of Instrument                     | As at 31 March 2017 | As at 31 March 2017 |
|--|---------------------|---------------------|
| i) Payables in USD (C.Y. \$ 4,41,088.89) | NIL                 | 2,92,58,706         |

**Note : 32 Earnings Per Share (EPS) Basic and Diluted**

| Particulars  | For the year ending |                 |
|--|---------------------|-----------------|
|  | March 31, 21017     | March 31, 21016 |
| Profit/ (Loss) after tax (Amount Rs.)                | 82,80,735           | (4,24,79,687)   |
| Weighted Average Number of Equity shares outstanding | 49,77,450           | 49,77,450       |
| <b>Earnings / (Loss) Per Share (Rupees)</b>          | <b>1.66</b>         | <b>(8.53)</b>   |

**Note : 33 Quantitative Details of Major items.**

| Description | Units | Opening Stock |               | Purchase |               | Sale      |               | Short Excess | Closing Stock |              |
|-------------|-------|---------------|---------------|----------|---------------|-----------|---------------|--------------|---------------|--------------|
|             |       | Qty           | Value(Rs)     | Qty      | Value(Rs)     | Qty       | Value(Rs)     |              | Qty           | Value(Rs)    |
| Automobile  | Pcs   | 397,772       | 78662410      | 952,789  | 64,943,612    | 999,111   | 290,979,501   | NIL          | 351,450       | 92807832     |
| Components  |       | (357175)      | (108,374,444) | (946844) | (284,316,526) | (906,247) | (250,811,785) | (NIL)        | (397,772)     | (78,662,410) |
| Lubricants  | Ltr.  | 2948          | 2366254       | 11,136   | 9,423,554     | 11,560    | 8,861,840     | NIL          | 2524          | 1949303      |
|             |       | (3743)        | (4,799,800)   | (10,305) | (11,260,119)  | (11,100)  | (11,558,884)  | (NIL)        | (2,948)       | (2,366,254)  |

**Note : 34 Related Party disclosures under Accounting Standard 18**

|          |  |   |
|----------|--|---|
| <b>1</b> | <b>Party where control exists</b>  | Nil   |
| <b>2</b> | <b>Other related parties with whom transactions have taken place during the year</b> |   |
|          | Joint Venture Company  | Nil   |
|          | <b>Associates</b>  | Fairdeal Supplies Limited<br>Falgun Export Pvt. Limited<br>Centre for Advanced studies in Engineering<br>Fair Chemical & Marketing<br>Prima Financial Services Ltd.<br>Fair deal (partnership firm)<br>Frontline Industries Limited<br>Jhunjhunwala Charitable Trust<br>Scientific Weigh Bridge & Auto parts(partnership firm)  |
| <b>3</b> | <b>Key Management Personnel &amp; their relatives:</b>                               | Pawankumar Agrawal<br>Narayanprasad Agrawal<br>Saurabh Jhunjhunwala<br>Ramprasad Agrawal<br>Baijnath Agrawal & Sons H.U.F.<br>Bhagwani Devi Agrawal<br>Gaurav Jhunjhunwala<br>Hansa Agrawal<br>Shraddha Jhunjhunwala`<br>Raja Jhunjhunwala<br>Mukund Jhunjhunwala<br>Narayanprasad Agrawal & sons H.U.F.<br>Ramprasad Agrawal & sons H.U.F.<br>Renudevi Jhunjhunwala<br>Rewadevi Jhunjhunwala<br>Shilpi Jhunjhunwala<br>Kritin Jhunjhunwala<br>Venya Jhunjhunwala |



| Sr. No. | Nature of Transaction with Related Parties              | Associates/Joint Ventures |                   |
|---------|---|---------------------------|-------------------|
|         |   | 2016-17                   | 2015-16           |
| 1       | <b>Interest on Loan</b>                                 | 578812                    | 525681            |
|         | Prima Financial Services Ltd.                           | 297454                    | 263118            |
|         | Pawankumar Agarwal                                      | NIL                       | 457409            |
|         | Fairdeal Supplies Ltd                                   | 281358                    | 262563            |
| 2       | <b>Sale of Goods</b>                                    | 96043799                  | 62016290          |
|         | Fairdeal Supplies Ltd                                   | Nil                       | Nil               |
|         | M/S Fairdeal(partnership firm)                          | 90848158                  | 59629023          |
|         | Scientific Weigh Bridge & Auto parts (partnership firm) | 5195641                   | 2387267           |
| 3       | <b>Rent Income</b>                                      | 61176                     | 61176             |
|         | Fairdeal Supplies Ltd                                   | 61176                     | 61176             |
| 4       | <b>Rent Expense</b>                                     | <b>1922390</b>            | <b>1922390</b>    |
|         | Fairdeal Supplies Ltd                                   | 66000                     | 66000             |
|         | Ramprasad Agrawal                                       | 608,040                   | 608,040           |
|         | Narayan Prasad Agrawal                                  | 608,040                   | 608,040           |
|         | Pawankumar Agrawal                                      | 608,040                   | 608,040           |
|         | Baijnath & Sons-HUF                                     | 32,270                    | 32,270            |
| 5       | <b>Outstanding as at year end</b>                       |                           |                   |
|         | <b>Net Receivable</b>                                   | <b>58,017,994</b>         | <b>56,416,673</b> |
|         | Bajrang Refractories Pvt. Ltd.                          | 57205204.96               | 55603883.96       |
|         | <b>Net payable</b>                                      |                           |                   |
|         | Falgun Export Pvt. Ltd.                                 | 812,789                   | 812,789           |
|         | <b>Unsecured Loan</b>                                   | <b>5,525,775</b>          | <b>4,000,020</b>  |
|         | Prima Financial Services Ltd.                           | 2,319,120                 | 2,051,411         |
|         | Fairdeal Supplies Ltd                                   | 2,206,655                 | 1,948,609         |
|         | Saurabh Jhunjhunwala                                    | 1,000,000                 | NIL               |
|         | Pawankumar Agarwal                                      | NIL                       | 4119266           |

**35. Segment Information**  
**Business Segment**

| Particulars   | Wind Energy                     | Trading                           | Transportation                    | Renting of Immovable Properties | Others                            | Total Rs.                         |
|---|---------------------------------|-----------------------------------|-----------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| <b>Revenue</b>  |                                 |                                   |                                   |                                 |                                   |                                   |
| <b>External Sales :</b>   |                                 |                                   |                                   |                                 |                                   |                                   |
| Domestic Sales  | <b>17,470,052</b><br>128,70,844 | <b>281,074,151</b><br>2426,03,140 | <b>134,635,630</b><br>1207,19,882 | <b>3,768,815</b><br>69,44,654   | <b>17,134,332</b><br>106,52,484   | <b>454,082,980</b><br>3937,91,003 |
| Export Sales  | -                               | -                                 | -                                 | -                               | -                                 | -                                 |
| Total External Sales  | <b>17,470,052</b><br>128,70,844 | <b>281,074,151</b><br>2426,03,140 | <b>134,635,630</b><br>1207,19,882 | <b>3,768,815</b><br>69,44,654   | <b>17,134,332</b><br>106,52,484   | <b>454,082,980</b><br>3937,91,003 |
| Add: Inter Segment Sales  | -                               | -                                 | -                                 | -                               | -                                 | -                                 |
| <b>Total Segment Sales/ Revenue</b>   | <b>17,470,052</b><br>128,70,844 | <b>281,074,151</b><br>2426,03,140 | <b>134,635,630</b><br>1207,19,882 | <b>3,768,815</b><br>69,44,654   | <b>17,134,332</b><br>106,52,484   | <b>454,082,980</b><br>3937,91,003 |
| <b>Segment result before interest, exceptional/ extraordinary items &amp; tax</b> | <b>10,343,306</b><br>5517926    | <b>9,003,042</b><br>41599873      | <b>13,841,065</b><br>10308554     | <b>795,330</b><br>(357545)      | <b>(32,977,438)</b><br>(42766135) | <b>1,005,304</b><br>14302673      |
| <b>Add: Unallocated Income Net of Unallocable Exp.</b>                            |                                 |                                   |                                   |                                 |                                   |                                   |
| Less : Interest   | <b>116</b><br>0                 | <b>48,341,476</b><br>48131752     | <b>2,681,394</b><br>3205725       | -<br>-                          | <b>1,323,836</b><br>2538158       | <b>52,346,822</b><br>53875636     |
| <b>Profit Before Exceptional/ Extra Ordinary items &amp; tax</b>                  | <b>10,343,190</b><br>5517926    | <b>(39,338,435)</b><br>(6531879)  | <b>11,159,671</b><br>7102828      | <b>795,330</b><br>(357545)      | <b>(34,301,274)</b><br>(45304293) | <b>(51,341,518)</b><br>(39572962) |
| Prior Period Adjustment & Exceptional/Extra Ordinary Items                        | -<br>-                          | <b>(63,440)</b><br>(2300)         | <b>(77,880)</b><br>173986         | <b>60,000</b><br>(192135)       | <b>63,205,200</b><br>343134       | <b>63,123,880</b><br>322685       |
| <b>Profit Before taxes</b>  | <b>10,343,190</b><br>5517926    | <b>(39,401,875)</b><br>(6534179)  | <b>11,081,791</b><br>7276814      | <b>855,330</b><br>(549680)      | <b>28,903,926</b><br>(44961160)   | <b>11,782,362</b><br>(39250278)   |
| Taxes   |                                 |                                   |                                   |                                 |                                   | <b>4,350,000</b><br>0             |
| <b>Profit After Taxes</b>   |                                 |                                   |                                   |                                 |                                   | <b>7,432,362</b><br>(39250278)    |
| <b>Total Assets</b>   |                                 |                                   |                                   |                                 |                                   |                                   |
| Segment Assets  | <b>35,791,196</b><br>25377371   | <b>246,449,694</b><br>245883079   | <b>56,647,697</b><br>58705368     | <b>203,656,515</b><br>211069405 | <b>156,584,797</b><br>179551621   | <b>699,129,899</b><br>720586843   |
| Unallocable Asset at HO   |                                 |                                   |                                   |                                 |                                   | -                                 |
| Total   |                                 |                                   |                                   |                                 |                                   | <b>699,129,899</b><br>720586843   |

|  |                                    |  |                                      |                                    |  |  |
|--|------------------------------------|--|--------------------------------------|------------------------------------|--|--|
| Total Liabilities<br>Segment Liabilities                               | <b>877,607</b><br><i>2053870</i>   | <b>533,667,185</b><br><i>512395159</i> | <b>24,579,477</b><br><i>40803587</i> | -<br>-                             | <b>117,429,981</b><br><i>154337028</i> | <b>676,554,249</b><br><i>709589645</i> |
| Unallocable Liability at HO  |                                    |  |                                      |                                    |  | -<br>-                                 |
| <b>Total</b>   |                                    |  |                                      |                                    |  | <b>676,554,249</b><br><i>709589645</i> |
| Total Cost Incurred<br>during the year to<br>acquire segment assets    | -<br>-                             | <b>704,014</b><br><i>736147</i>        | <b>167,302</b><br><i>31375262</i>    | -<br><i>213,286</i>                | <b>3,775,281</b><br><i>374463</i>      | <b>4,646,597</b><br><i>32699158</i>    |
| Total Cost Incurred<br>during the year to<br>acquire unallocable Asset |                                    |  |                                      |                                    |  | -                                      |
| <b>Segment Depreciation</b>  | <b>1,344,803</b><br><i>1370022</i> | <b>579,639</b><br><i>623443</i>        | <b>5,498,181</b><br><i>3332543</i>   | <b>2,937,362</b><br><i>3575191</i> | <b>2,736,184</b><br><i>2159921</i>     | <b>13,096,169</b><br><i>11061120</i>   |
| <b>Segment Depreciation<br/>(Unallocable Asset)</b>                    |                                    |  |                                      |                                    |  | -                                      |
| <b>Non-cash expenses<br/>other than depreciation</b>                   | <b>3,120</b><br>-                  | <b>2,200,241</b><br><i>1669511</i>     | <b>3,464,818</b><br><i>4353927</i>   | -<br>-                             | <b>11,361,966</b><br><i>2543612</i>    | <b>17,030,145</b><br><i>8567050</i>    |

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 organizational structure and internal reporting system. The Company's operation predominantly relate to Bulk Transportation of Goods & Trading of Automotive Parts.
3. The Company's business relates 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.          |
|---|--------------------|--------------------|-------------------|--------------------|
| <b>Revenue</b>  |                    |                    |                   |                    |
| <b>External Sales:</b>  |                    |                    |                   |                    |
| Domestic Sales/Income   | <b>4,291,378</b>   | <b>362,626,309</b> | <b>87,165,292</b> | <b>454,082,980</b> |
|   | <i>5,476,805</i>   | <i>306,505,021</i> | <i>81,809,177</i> | <i>393,791,003</i> |
| Export Sales  | -                  | -                  | -                 | -                  |
|   | -                  | -                  | -                 | -                  |
| <b>Total Sales/Income</b>                                     | <b>4,291,378</b>   | <b>362,626,309</b> | <b>87,165,292</b> | <b>454,082,980</b> |
|   | <i>5,476,805</i>   | <i>306,505,021</i> | <i>81,809,177</i> | <i>393,791,003</i> |
| Add: Inter Segment Sales                                      | -                  | -                  | -                 | -                  |
|   | -                  | -                  | -                 | -                  |
| <b>Total Sales</b>  | <b>4,291,378</b>   | <b>362,626,309</b> | <b>87,165,292</b> | <b>454,082,980</b> |
|   | <i>5,476,805</i>   | <i>306,505,021</i> | <i>81,809,177</i> | <i>393,791,003</i> |
| Less: Inter Segment Sales                                     | -                  | -                  | -                 | -                  |
|   | -                  | -                  | -                 | -                  |
| <b>Total Revenue</b>  | <b>4,291,378</b>   | <b>362,626,309</b> | <b>87,165,292</b> | <b>454,082,980</b> |
|   | <i>5,476,805</i>   | <i>306,505,021</i> | <i>81,809,177</i> | <i>393,791,003</i> |
| <b>Total Assets</b>   |                    |                    |                   |                    |
| <b>Segment Assets</b>   | <b>349,702,982</b> | <b>332,044,004</b> | <b>17,382,913</b> | <b>699,129,899</b> |
|   | <i>380,104,338</i> | <i>322,373,370</i> | <i>18,109,135</i> | <i>720,586,843</i> |
| Unallocable Asset   |                    |                    |                   | -                  |
|   |                    |                    |                   | -                  |
| Total Cost Incurred during the year to acquire segment assets | <b>2,473,860</b>   | <b>2,069,823</b>   | <b>102,914</b>    | <b>4,646,597</b>   |
|   | <i>317,688</i>     | <i>32,359,705</i>  | <i>21,765</i>     | <i>32,699,158</i>  |

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 organization structure and internal reporting System. The Company's operation predominantly relate to Bulk Transportation of Goods & Trading in Automotive Parts.
3. The Company's business relates to the domestic market.
4. Segment revenue, segment results, segment assets, and segment liabilities include the respective amount identifiable to each of the segment.

As Per our Report of Even Date  
On Behalf of Board of  
Frontline Corporation Ltd

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

Sd/-  
**S. K. Verma**  
Company Secretary

Sd/-  
**Narayanprasad Agarwal**  
Director  
(DIN NO: 00060384)

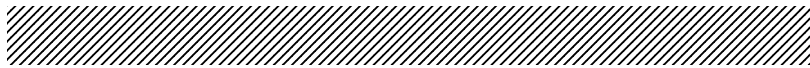
Sd/-  
**Paresh K. Thothawala**  
Partner  
M.No. 48435

Sd/-  
**R. K. Saklani**  
C.F.O.

Sd/-  
**Pawankumar Agarwal**  
Managing Director  
(DIN NO: 00060418)

Date : 31/05/2017  
Place : Ahmedabad

Date : 31/05/2017  
Place : Ahmedabad



**ATTENDANCE SLIP**

DP ID \_\_\_\_\_

(To be presented at the entrance)

Folio No./Client ID \_\_\_\_\_

I/We hereby record my/our presence at the 28<sup>th</sup> Annual General Meeting of the company at 4, B.B.D. Bag (East) Stephen House, Room No. 5, 1<sup>st</sup> Floor, Kolkata-700001 on Thursday, 21<sup>st</sup> day of September, 2017 at 10.00 a.m.

\_\_\_\_\_  
PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTERANCE OF THE MEETING HALL. JOINT SHAREHOLDER(S) MAY OBTAIN ADDITIONAL SLIP AT THE VENUE OF THE MEETING.

Signature of the Member/ Proxy



**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 read with Rule 19(3) of the companies (Management and Administration) Rules,2014]

Name of the Member(s): \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

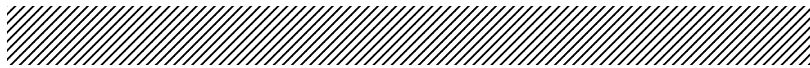
Folio No./ Client ID:DP Id: \_\_\_\_\_

I/We being the member(s) of \_\_\_\_\_ shares of the above named Company hereby appoint:

- (1) Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ or falling him;
- (2) Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ or falling him;
- (3) Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ or falling him;

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the company to be held on Thursday, 21st day of September, 2017 at 10.00 a.m. at 4, B. B. D. Bag (East), Stephen House, Room No. 5, 1st Floor, and Kolkata-700001 and at any adjournment thereof in respect of such resolution as are indicate below:

| Resolutions<br>No. | Particulars of Resolution  | Voting |         |
|--------------------|--|--------|---------|
|                    |  | For    | Against |
|                    | <b>ORDINARY BUSINESS</b>   |        |         |
| 1                  | Consider and adopt Audited Financial Statements of the Company for the year ended 31st March, 2017 together with the Reports of the Board of Directors and Auditors' thereon and other documents attached thereto. |        |         |
| 2                  | To Reappoint Mr. Saurabh Jhunjunwala who retires by rotation and, being eligible, himself for Re-appointment.  |        |         |
| 3                  | To Reappoint Mr. Ram Prasad Agarwal who retires by rotation and, being eligible, himself for Re-appointment.   |        |         |
| 4                  | Ratification of Appointment of Auditors of the Company and fixing their remuneration   |        |         |
|                    | <b>SPECIAL BUSINESS</b>  |        |         |
| 6                  | To authorize the Board to enter into related party transactions  |        |         |



Signed this \_\_\_\_\_ day of September 2017

Affix Revenue Stamp

Affix  
a  
Stamp

Signature of the Shareholder \_\_\_\_\_

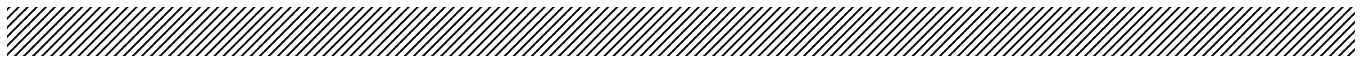
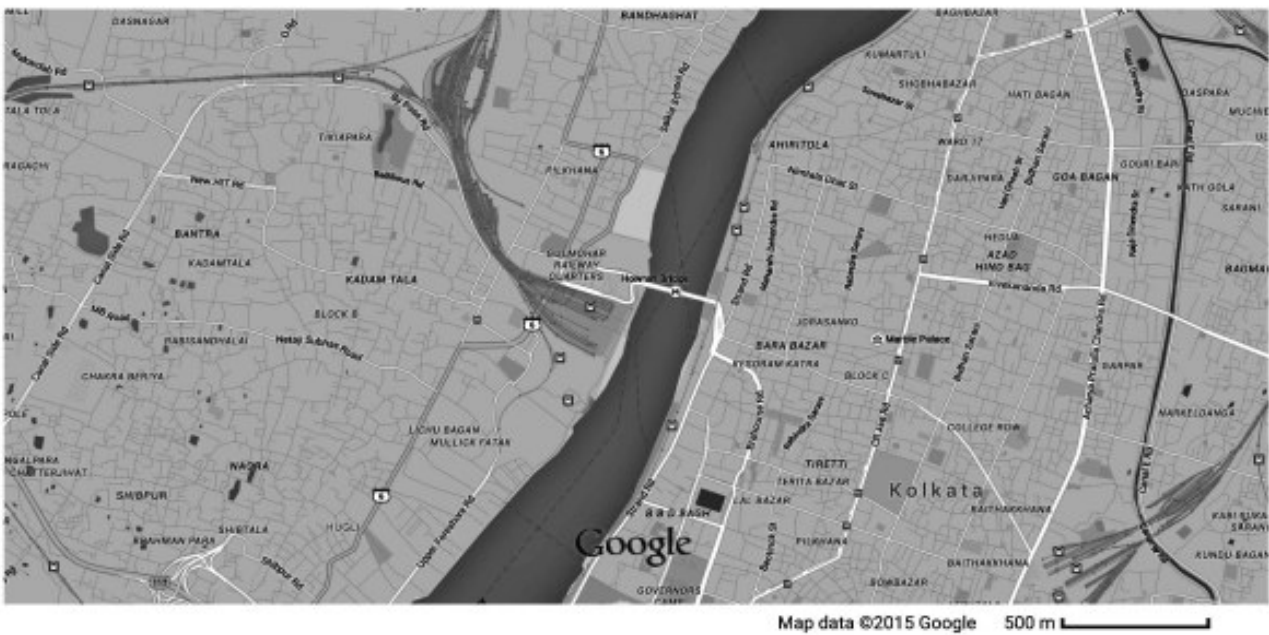
Signature of first proxy holder \_\_\_\_\_

Signature of second proxy holder \_\_\_\_\_

Signature of third proxy holder \_\_\_\_\_

Venue Map :

4, B.B.D. Bag (East), Stephen House, Room No. 5, 1<sup>st</sup> Floor, Kolkata – 700 001



BOOK - POST

If Undelivered Please return

To **FRONTLINE CORPORATION LIMITED**

4, BBD Bag (East), Room No. 5, 1st Floor,  
Stephen House, Kolkata - 700 001