



FRONTLINE CORPORATION LIMITED

**22nd Annual Report
2010-2011**



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Green Initiative

The Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies. Your Company has decided to join the MCA in its environmental friendly initiative.

Henceforth Company proposes to send documents such as Notice of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register/update their latest e-mail addresses with their Depository Participant (D.P.) with whom they are having Demat A/c or send the same to the Company via e-mail at investors @frontlinecorporation.com.

We solicit your valuable co-operation and support in our endeavor to contribute our bit to the environment.

**Board of Directors:**

Mr. Ram Prasad Agarwal	:	Director
Mr. Narayan Prasad Agarwal	:	Director
Mr. Saurabh Jhunjhunwala	:	Director
Mr. Bharat Arora	:	Independent Director
Mr. Virendra Sharma	:	Independent Director
Mr. Jiw Raj Khaitan	:	Additional Director
Mr. Sital Kumar Banerjee	:	Additional Director
Mr. Pawan Kumar Agarwal	:	Managing Director

Company Secretary : Mr. S. K. Verma

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

Branch Auditors : M/s. VPC & Associates,
Chartered Accountants,
Kolkata

Bankers : Axis Bank
Bank of Baroda
Dena Bank
HDFC Bank Ltd.
ICICI Bank Limited
State Bank of India
Punjab National Bank
Punjab & Sind Bank
The Jammu & Kashmir Bank imited

Registered Office : 4, B. B. D. Bag (East),
Stephen House
Room No. 5, 1st Floor,
Kolkata – 700 001

Corporate Office : 4th Floor, Shalin Building,
Near Nehru Bridge Corner,
Ashram Road,
Ahmedabad – 380 009

Registrar & Transfer Agent : Sharepro Services (India) Pvt Ltd.
416-420, 4th Floor,
Devnandan Mall,
Opp. Sanyas Ashram,
Ellisbridge,
Ahmedabad - 380 006.



NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the members of M/s. Frontline Corporation Limited will be held at 10.00 a.m. on Friday, the 30th September, 2011 at its Registered Office at 4, B. B. D. Bag (East), Stephen House, Room No. 5, 1st Floor, Kolkata – 700 001 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the period ended on that date together with Auditors Report and the Directors' Report thereon.
2. To appoint a Director in place of Shri Narayan Prasad Agarwal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Saurabh Jhunjunwala who retires by rotation and being eligible offers himself for re-appointment
4. To appoint Statutory Auditors and Branch Auditors and to fix their remuneration.

As Special Business

5. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:- "RESOLVED THAT Mr. Jiw Raj Khaitan who was appointed as an Additional Director of the company with effect from 3rd September, 2011 and who holds such office up to date of this Annual General Meeting in terms of section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice under section 257 of the Companies Act, 1956 be and is hereby appointed as a director of the company, liable to retire by rotation."
6. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:- "RESOLVED THAT Mr. Sital Kumar Banerjee, who was appointed as an Additional Director of the company with effect from 3rd September, 2011 and who holds such office up to date of this Annual General Meeting in terms of section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice under section 257 of the Companies Act, 1956 be and is hereby appointed as a director of the company, liable to retire by rotation."

For and on behalf of Board of Directors of

FRONTLINE CORPORATION LIMITED

Date: 3rd September, 2011

Place: Ahmedabad

PAWANKUMAR AGARWAL
MANAGING DIRECTOR



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxy in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the Annual General Meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed Monday, 26th September, 2011 to Friday, 30th September, 2011 (both days inclusive).
3. Consequent upon amendment in Section 205A of the Companies Act., 1956 and introduction of Section 205C, by the Companies (Amendment) Act, 1999, the amount of interim dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund (Fund). Accordingly the Company would be transferring unclaimed\unpaid dividend in respect of Financial Year ended 31st March 2004 to the Fund. Members who have yet not encashed their Dividend Warrants for the years ended 31st March 2004 to 31st March 2011 are requested to contact the Company at its Corporate Office at 4th Floor, Shalin Building, Near Nehru Bridge Corner, Ashram Road, Ahmedabad – 380 009.
4. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company atleast ten days in advance, so as to enable the Company to keep the information ready.
5. Members are requested to kindly bring their copies of the Report and Accounts to the meeting.
6. Members are requested to notify changes in their mailing address, to M/s. Sharepro Services (India) Pvt Ltd., 416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad - 380 006. In case of dematerialized shares, the change of mailing address, bank mandates etc., should be directly sent to the Depository Participant concerned.
7. Information relating to the Directors proposed to be re-appointed at Serial No. 5 & 6 of the special business is given in the Corporate Business Report.

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

Date: 3rd September, 2011
Place: Ahmedabad

PAWANKUMAR AGARWAL
MANAGING DIRECTOR



EXPLANATORY STATEMENT

In conformity with the provisions of section 173(2) of the Companies Act, 1956, the following Explanatory Statements set out all material facts relating to aforesaid Special Businesses:

Item No. 5

Pursuant to the provisions of Section 260 of the Companies Act, 1956 Shri Jiw Raj Khaitan was appointed as an additional director of the Company on 3rd September, 2011 to hold office up to the next Annual General Meeting. The company has also received a notice under section 257 of the Companies Act, 1956 from a member of the company along with requisite deposit signifying his intention to propose the appointment of Shri Jiw Raj Khaitan as a Director.

The Company has also received consent from Shri Jiw Raj Khaitan under the Companies Act, 1956 to act as director of the company, if appointed. Shri Jiw Raj Khaitan is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Companies Act, 1956 and has obtained Director Identification Number in terms of Section 266 (A) of the said Act.

Shri Jiw Raj Khaitan is 73 years of age. He is Bachelor of Commerce and has over 40 years of experience in the field of import export Management. He began his career with Hindusthan Motors Limited as an Executive and left at Managerial Level. After retirement, he worked as Plant Manager in two Companies having state of art technology in manufacturing of metallurgical Coke for about eight years. At present he is associated with a Steel Manufacturing Company as chief general manager. He is also associated with another Company for providing assistance in setting up of a state of art plant with Chinese technology for production of furnace oil and carbon black out of waste rubber tyres.

Your directors, therefore, recommend this resolution for your approval.

None of the directors expect Shri Jiw Raj Khaitan is in any way, concerned interested in the proposed resolution.

Item No. 6

Pursuant to the provisions of Section 260 of the Companies Act, 1956 Shri Sital Kumar Banerjee was appointed as an additional director of the Company on 3rd September, 2011 to hold office up to the next Annual General Meeting. The company has also received a notice under section 257 of the Companies Act, 1956 from a member of the company along with requisite deposit signifying his intention to propose the appointment of Shri Sital Kumar Banerjee as a Director.

The Company has also received consent from Shri Sital Kumar Banerjee under the Companies Act, 1956 to act as director of the company, if appointed. Shri Sital Kumar Banerjee is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Companies Act, 1956 and has obtained Director Identification Number in terms of Section 266 (A) of the said Act.

Shri Sital Kumar Banerjee is 73 years of age. He is Graduate in Bachelor of Chemical Engineering from Jadavpur University, Kolkata and MBA from Calcutta University. He worked as Junior Design Engineer in DCM Chemical Works, Delhi from 1959 to 1963 and then he joined as Development Engineer with Phosphate Co. Rishra, West Bengal and worked for a brief period from 1963 to 1964. Thereafter he worked as Project Engineer with Jayshree Chemicals and Fertilizers, Khardah, West Bengal for a brief period. He then joined as Asstt. Works Manager with Durgapur Chemicals Ltd., Durgapur, West Bengal from 1965 till 1972. After that, he joined as Branch Manager with Chemical 7 Metallurgical Design Co. Pvt. Ltd., New Delhi in the year 1972 and resigned as General Manager and CEO in the year 1990. Thereafter he joined as CEO with GMDC Design Pvt. Ltd., from 1990 to 2009. His professional qualifications are Fellow of Institution of Engineers (FIE), Chartered Engineer (CE), Fellow of Institution of Valuers (FIV). He is also senior member of American Institute of Chemical Engineers and Life Member of Institution of Chemical Engineers. Your Company would be benefitted by his diversified experience.

Your directors, therefore, recommend this resolution for your approval.

None of the directors expect Shri Sital Kumar Banerjee is in any way, concerned interested in the proposed resolution.

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

Date: 3rd September, 2011
Place: Ahmedabad

PAWANKUMAR AGARWAL
MANAGING DIRECTOR



EXPLANATORY STATEMENT OF MATERIAL FACTS AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 5

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

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

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

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

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

Date: 3rd September, 2010

Place: Ahmedabad

**PAWANKUMAR AGARWAL
MANAGING DIRECTOR**



Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 22nd Annual Report for the year ended 31st March, 2011

Financial Performance:

(Rs. in Lacs)

		Current Year 31-3-2011	Previous Year 31-3-2010
Revenue from Operations		10149.02	9319.69
Other Income		73.25	363.66
Finance Charges		765.34	446.12
Depreciation		353.34	437.30
Profit Before Taxation		246.56	374.16
Provision for Income-Tax & Fringe Benefit Tax	Current Taxes	46.22	203.95
	Earlier Periods	5.28	NIL
Profit after Taxation		195.06	170.21
Prior Period Adjustments		8.13	15.35
Profit for the year		186.93	154.86
Profit Brought Forward		896.86	742.00
Proposed Dividend		NIL	NIL
Balance Carried to Balance-Sheet		1083.78	896.86

OPERATIONAL / PERFORMANCE REVIEW

The company operates in five main business segments viz. Transportation, Trading, manufacturing, Generation of wind energy, and renting of immovable properties. The Transport Division comprises of income from Own Trucks and Logistic business is the 2nd largest in terms of sales revenue. This division accounts for 23.36% of the total turnover (including inter-segment) of the company for the year ended 31st March, 2011. Trading Division accounts for 63.42%, Manufacturing Division accounts for 4.34%, Generation of Wind Energy accounts for 1.19 % and others includes for 5.40 % of the total turnover of the company for the year ended 31st March, 2011.

During the year the company has achieved operational income of Rs. 101.49 Crores as against Rs. 93.20 Crores in the previous year. The company posted Profit before tax of Rs. 2.4 Crores as against Rs. 3.74 Crores in the previous year. The Company earned Profit after Tax of Rs. 1.87 Crores as against Rs. 1.55 Crores in the previous year after prior period adjustment of Rs. 0.08 Crores in the current year. A balance of Rs. 10.84 Crores has been carried forward to Balance Sheet.

Segment information.

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

Transportation:

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

During the year under review, your Company continued to get / renewed transportation Contracts from valued customers to cater needs of its valued clients. The Revenue from Transport Operations decreased from Rs. 35.88 Crores in the previous year to Rs 25.43 Crores in the current year registering a decrease by 29.11%. due to closure of one major Branch and increased cost of oil and spare parts. The Company has already restructured its transport activities for



optimum utilization of its fleet of commercial vehicles and is hopeful to come out with satisfactory results in the days to come.

Trading

BOSCH Division is acting as the Main Distributor for Auto Components manufactured by “BOSCH Ltd.” for the Automotive Aftermarket and supplies such spares to Authorised Service Centers of Bosch as well as to retail outlets and neutral garages and workshops. BOSCH is the global leader in Automotive Components and “BOSCH” brand products come as OE fitments in all ranges of vehicles worldwide. With newer models of vehicles being introduced in the market every year, the business has very good potential in future. The Revenue from trading Operations of automotive parts of “BOSCH” increased to Rs. 16.46 Crores in comparison to Rs. 14.50 Crores in the previous year registering a increase 13.52%.

Mahindra & Mahindra Division is acting as the Super Distributor for Auto Components & Farm Equipment manufactured by “Mahindra & Mahindra Ltd.,” for the Automotive Aftermarket. With newer models of vehicles being introduced in the market every year, the business has very good potential in future. The Revenue from trading Operations of automotive parts of “Mahindra & Mahindra Ltd” increased to Rs. 13.06 Crores in comparison to Rs. 9.85 Crores in the previous year registering a higher increase of 32.60% mainly due to good potential in current scenario.

Iron & Steel Division:

The global iron ore market is hot. Everything good or bad about economic activities is visible here. On the one hand, there is strong recovery of demand with the global economic prospects back on track, statistically so till date, concerns nevertheless remain. On the other, speculators are back with panic driven Chinese steel industry rushing to build stock before they set the table for talks with the iron ore mining industry for the year’s contract.

The future of the global iron ore industry depends on China. Many believe the steel industry’s growth in China will slow down. At this stage, such a statement will be termed speculative only. The Chinese mills, however, may not yield much ground. They will dig more into their own resources, import more from the spot market and thereby reduce their dependence on contracted volumes, if the prices are not favorable. They have also invested heavily overseas on iron ore assets and will bring in substantial quantities from there to meet some critical needs. The iron ore industry knows that pushing the Chinese mills to a tightrope will boomerang in the long term. More the Chinese mills are stressed, more assets will they acquire, which ultimately will reduce the dependence on the global iron ore cartel. China cannot be ignored by the iron ore miners after all they produce nearly half of world’s steel.

A question has always been in the forefront : should the global coal or iron ore contracts be floating types indexed to steel prices, or a market based free float, or of a short duration, say, a month or a quarter? So far, the global majors, tied to annual contracts, have not been able to capitalize on the higher spot prices running through the year on the average. It is not necessary that this will happen every year. Yet, an optimistic mining industry globally is pushing for this. This will effectively bring an end to the annual contracts.

The rise in global ocean freight has a very significant impact on the iron ore prices. A higher freight will effectively reduce the contract levels set on fob basis. Any attempt to push the burden of rising ocean freight on to the buyer will be resisted. And if iron ore shipping volumes drop, the dry bulk rates will also crash! One does not really know who will bear the brunt of this. It depends on the strength of the market: who is weak and who is not on the negotiating table.

India has taken a protectionist stance. The government needs revenue to support the routine development expenditure and also the stimulus measures. This also sends a signal to the local industry that rampant exports cannot be permitted forever when the local industry faces shortage. In addition, it has sent a strong signal that illegal mining has to stop. Many mines are currently under investigation with their mines lying closed. The local mining industry is lobbying hard to get out of the multiple crises.

“India’s Iron Ore: Following the Global Meltdown” report discusses the current iron ore business in India, prospects for the future and unfolds the opportunities to provide strategic guidance to investors and all others related to iron ore business in India.



Export of Iron Ores

During the year your Company exported 68,200 MT amounting to US D 84,30,041.65/- (INR 38,59,18,465.39) to China & Singapore as against 22,800 MT amount to US D 27,90,185.55 (INR 12,71,20,854) in the previous year, despite ups and down in International market . Your Company look forward to continue export iron ores in the current year.

Bricks Division

Your Company has facilities to manufacture Refractories Bricks of various sizes and qualities to cater the need of Steel Plants and Glass Plants.

The company's manufacturing facility is located in Kadi, Gujarat. The plant is modern and is supported by a team of qualified professionals. The plant's existing Installed Capacity is 4,800 Metric tons per annum.

The company produces complete range of Refractories including:

- Fireclay in Medium & High heat duty in all Shapes and sizes with Alumina contents from 30 to 45%
- High Grog & High Alumina Refractories with Alumina contents from 45% to 99% for various applications in Steel plants, Cement kilns, Glass furnaces, Sponge Iron, Aluminum, Non-Ferrous and Petrochemical Industries.
- Sillimanite & Andalusite bricks and blocks for Glass plants.
- Basic bricks including Magnesite, Magnesite Carbon, Magnesite Chrome, Chrome Magnesite, Alumina Chrome, Alumina Magnesite Carbon, Direct bonded Mag chrome etc
- mortars for Power Plants & Chemical Industry
- Insulation bricks in conventional and special light weight bricks
- Various grades of mortars, ramming masses, gunning mixes and full range of Castables

Within a short span of its commencement of manufacturing of Refractories Bricks, The Division has long list of satisfied customers. The Revenue from Operations of the division increased to Rs. 4.74 Crores in comparison to Rs. 5.47 Crores in the previous year registering a slight decrease 12.80%. During the year under review the Company has not exported bricks.

Wind Energy Generation:

Your company has been promoting Green Power through Wind Energy. We totally have commissioned capacity of 2.365 MW. Your company has successfully registered the project under VCS. Second issuance is in process.

We continue to face the problem of realization of funds from the government and also the Load Shedding. Besides the late arrival of monsoon and the non availability of grid has affected the PLF. All the power generated is being sold to the Government and hence we need to wait for the payment which is getting delayed. This is having serious repercussions on the payments to be made for various term loans.

The Revenue from Operations of the division increased to Rs. 1.17 Crores in comparison to Rs. 1.22 Crores in the previous year registering a decrease of 4.10% due to unfavourable weather condition during peak seasons

Renting of immovable properties

Your Company is in the process of making investments in plots of various sizes at the competitive prices and is in the process of developing the plots. The income from Leave & Licence Agreement with TCS Ltd., is giving a steady source of income.

The Revenue from Operations of the division increased to Rs. 2.49 Crores in comparison to Rs. 2.48 in the previous year registering an increase of 0.40%.



DIVIDEND:

With a view to conserve the resources, your directors have decided not to recommend any dividend for the year under review.

Transfer to Reserve & Surplus

The Board of Directors proposes to transfer Rs. 1.87 Crores to Reserve & Surplus aggregating to Rs. 10.84 Crores.

Subsidiary of the Company.

The Company does not have any subsidiary Company.

Deposits:

The Company has not accepted any deposits from public to which the provisions of Section 58 – A of the Companies Act, 1956 and rules made there under are applicable.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The details of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the Annexure 'B' which forms part of the Directors' Report

Green initiative

The members are informed that in accordance with Circular Nos. 17/2011 dated 21.4.2011 and 18/2011 dated 29.4.2011 issued by Ministry of Corporate Affairs, Government of India, henceforth, the company is proposing to send documents like notice of general meetings, audited accounts, Directors Report, Auditors Report and other documents/communications to the members in electronic form by email. Members holding shares in dematerialized form are requested to register/update their Email addresses with their depository participants. Members holding shares in physical form are requested to register/update their Email addresses with the company via Email at: investors@frontlinecorporation.com.

Directors:

Shri Narayan Prasad Agarwal and **Shri Saurabh Jhunjunwala**, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment. You are requested to accord your approval to their appointment.

During the current year, the Company has co-opted Mr. Jiw Raj Khaitan as an Additional Director of the Company. He holds office up to the date of this Annual General Meeting at which his appointment would be regularized subject to consent of the shareholders.

During the current year, the Company has co-opted Mr. Sital Kumar Banerjee as an Additional Director of the Company. He holds office up to the date of this Annual General Meeting at which his appointment would be regularized subject to consent of the shareholders.

None of the Directors of your Company is disqualified as per provisions of Section 274(1) (g) of the Companies Act, 1956. The Directors of the Company have made necessary disclosures as required under various provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Audit Committee:

The Company has constituted an Audit Committee pursuant to the provisions of section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement. The Audit Committee consists of Shri Bharat Arora, Shri Virendra Sharma and Shri Saurabh Jhunjunwala. Shri Bharat Arora, Independent Director is chairman of the Audit Committee.

Directors' Responsibility Statement:

The Directors confirm:

- a) that in the preparation of Annual Accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same.
- b) that they have selected such Accounting Policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true and fair view of the state of affairs of the



Company at the end of the Financial year and of the Profit or Loss of the Company for that period ;

- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that they have prepared the Annual Accounts on a Going concern basis.

Auditors and their observations:

M/s. Pares Thothawala & Co., Chartered Accountants, Ahmedabad, Statutory Auditors of the Company retires at the ensuing Annual General Meeting and are eligible for reappointment. You are requested to reappoint the Auditors.

M/s. VPC & Associates, Chartered Accountants, Kolkata, Branch Auditors of the Company retires at the ensuing Annual General Meeting and are eligible for reappointment. You are requested to re-appoint the Auditors.

The Auditors in their Report Dated 3rd September, 2011 have made certain observations on the accounts for the year under review. The company has supplied material to the concerns in which some of the directors of the company were interested. The Company is in the process of taking remedial action in the matter. The slight delay in payment of statutory dues has been caused on account of clerical oversight and the company is strengthening the system to avoid any such delays in future.

Corporate Governance Report:

The Corporate Governance & Management Discussion & Analysis (MDA) Report forms part of the Directors' Report and are set out as separate annexure to this report. The certificate from the Statutory Auditors of the Company certifying compliance of the conditions of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement is annexed to the report on Corporate Governance

Particulars of Employees:

The information required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employee) Rules, 1975 as amended to date is not attached as there are no employees who are in receipt of remuneration in excess of prescribed limits.

Acknowledgement:

The Board of Directors of the Company wishes to express its appreciation for the co-operation received from the Financial Institutions, Bankers and executives and staff members of the Company and look forward to their continued support in the years to come.

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

Date: 3rd September, 2011

Place: Ahmedabad

PAWAN KUMAR AGARWAL
MANAGING DIRECTOR



ANNEXURE 'B'
TO THE DIRECTORS' REPORT

Information as required under Section 217(1) (e) read with the Corporate (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988

A. CONSERVATION OF ENERGY

Energy Conservation measures taken:

The Company through continuously improving its manufacturing process and efficiency at its plants and offices continues its endeavor to improve energy conservation and utilisation.

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

The efforts to conserve energy on other areas are in progress.

Impact of above measures:

More efficient utilization of power and reduction in energy consumption.

Total energy consumption and energy consumption per unit of production:

As per Form – A attached

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATIONS.

Efforts made in technology absorption:

As per Form – B Annexed

FOREIGN EXCHANGE EARNING AND OUTGO

Activities relating to export, initiative taken to increase exports development of new export markets for products and services, and export plans:

Total foreign exchange used and earned:

Particulars	Amount in US Dollars	Amount (Rs. In Crores)
Total Foreign Exchange earning	USD 84,30,041.65 (Previous Year _USD 27,90,185.55)	Rs. 38.59 (Previous Year 12.71)
Total Foreign Exchange outgo	USD 1645336.98 (Previous Year USD 815858.37)	Rs. 7.40 Crores (Previous Year Rs 3.71Crores)



FORM - A

Disclosure of particulars with respect to Conservation of Energy for the year ended 31.03.2011

A. POWER AND CONSUMPTION

1. ELECTRICITY

a) Purchased	2010-2011	2009-2010
- Units (In Lacs)	2.08	2.59
- Total Amount (In Lacs)	12.95	15.56
- Rate (Rs./Units)	6.22	6.00
b) Through Diesel generator		
- Units (In Lacs)		—.—
- Units per Ltr. Of Diesel Oil		—.—
- Cost (Rs. /Units)		—.—

B. CONSUMPTION PER UNIT OF PRODUCTION

Electricity (Units/Mt.)	Units per MT	Units per MT
	62.66	72.39

FORM- B

Form for disclosure of particulars with respect to technology absorption

RESEARCH AND DEVELOPMENT (R&D)

- Specific Areas in which R&D proposed to be carried out by the Company:
- Benefits derived:
- Future plan of action taken:
- Expenditure on R&D (Rs. In Lacs)

a) Capital	:	NIL
b) Recurring	:	NIL
c) Total	:	NIL
d) Total R&D Expenditure as a percentage total turnover	:	NIL

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

- Efforts made:** The Company absorbs the knowledge of refractory technology from various sources, such as know how from similar Companies. Published literature etc and thereafter adopt the same to company's infrastructure, effects improvement to the products and process of the Company including containment of pollution and control of effluents. Quality assurance system are placed in its plant. With this the complaints have reduced and consumers are feeling satisfied.

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

2. Particulars of Technology imported during last 5 Years:

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



Management Discussion and Analysis Report

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

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

Transportation and Logistics industry:

The ability to move goods safely, quickly and cost-efficiently to markets is important for international trade, national distributive trades, and economic development.

The rapid increase in global trade up to the onset of the financial and economic crisis may explain the relatively fast growth of freight transport. In contrast, strains on transport infrastructure (congestion and delays), coupled with constraints over technical standards and governance issues may slow down developments within the freight transport sector.

Transport in the Republic of India is an important part of the nation's economy. Since the economic liberalization of the 1990s, development of infrastructure within the country has progressed at a rapid pace, and today there is a wide variety of modes of transport by land, water and air. However, India's relatively low GDP has meant that access to these modes of transport has not been uniform.

India's rail network is the longest and fourth most heavily used system in the world, transporting over 6 billion passengers and over 350 million tons of freight annually.

Despite ongoing improvements in the sector, several aspects of the transport sector are still riddled with problems due to outdated infrastructure, lack of investment, corruption and a burgeoning population. The demand for transport infrastructure and services has been rising by around 10% a year with the current infrastructure being unable to meet these growing demands. According to recent estimates by Goldman Sachs, India will need to spend US\$1.7 trillion on infrastructure projects over the next decade to boost economic growth, of which US\$500 billion is budgeted to be spent during the Eleventh Five-Year Plan.

Industry characteristics

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

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

Industry overview

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

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

During the year under review, your Company continued to get / renewed transportation Contracts from valued customers to cater needs of its valued clients. The Revenue from Transport Operations decreased from Rs. 35.88 Crores in the previous year to Rs 25.43 Crores in the current year registering a decrease by 29.11%. due to closure of one major Branch and increased cost of oil and spare parts. The Company has already restructured its transport activities for optimum utilization of its fleet of commercial vehicles and is hopeful to come out with satisfactory results in the days to come.



Trading Division:

The automotive aftermarket for parts in India is a large and growing market that spans manufacturers, distributors, retailers, service providers and garages. Currently worth INR 19,000 crore to INR 24,000 crore, the market has been growing at 11 per cent, and is estimated to reach INR 39,000 crore to INR 44,000 crore by 2015. This growth will primarily be fuelled by the increasing number of vehicles on the road, as well as the aggressive expansion of independent and foreign players. While current margins for the industry remain attractive, players across the value chain may see margins reducing to the lower levels observed in developed economies. Therefore, to sustain profitability, it is imperative that players evaluate additional ways of capturing value, including expanding service networks, developing branded generic parts, forward integrating and building scale. Looking ahead, revenue pools remain large across the value chain, hence if players are able to pursue appropriate strategies, significant profits can be made in this sector.

The Indian automotive aftermarket has been growing at a steady pace and is expected to expand rapidly over the next five years. The total size of this sector is currently estimated at USD 5 billion to USD 6 billion, while the global market is worth USD 490 billion to USD 540 billion.

The Indian market is valued at INR 19,000 Crore to INR 24,000 Crore, of which roughly 30 per cent comprises spurious parts. Commercial vehicles (CV), include multi-axle vehicles, light commercial vehicles (LCVs), buses and trailers account for roughly 22 per cent of this market (INR 4,500 Crore to INR 5,500 Crore), with Maharashtra, Tamil Nadu, Gujarat and Kerala accounting for over 40 per cent. The car market is estimated at INR 6,000 Crore to INR 7,000 Crore (34 per cent of the market) with Maharashtra, Andhra Pradesh, Delhi and Tamil Nadu cumulatively accounting for about 40 per cent of the share. The two-wheeler market is the largest at INR 10,000 Crore to INR 11,000 Crore, or 44 per cent of the market, and Tamil Nadu, Maharashtra, Gujarat and Uttar Pradesh constitute close to 45 per cent of the market. This market is also expected to grow the fastest, given the strong growth in new sales (more than 15 per cent per year) and the large volume of two-wheelers entering the vintage for aftermarket parts (2 to 12 years).

BOSCH Division is acting as the Main Distributor for Auto Components manufactured by "BOSCH Ltd." for the Automotive Aftermarket and supplies such spares to Authorised Service Centers of Bosch as well as to retail outlets and neutral garages and workshops. BOSCH is the global leader in Automotive Components and "BOSCH" brand products come as OE fitments in all ranges of vehicles worldwide. With newer models of vehicles being introduced in the market every year, the business has very good potential in future. The Revenue from trading Operations of automotive parts of "BOSCH" increased to Rs. 16.46 Crores in comparison to Rs. 14.50 Crores in the previous year registering an increase of 13.52%.

Mahindra & Mahindra Division is acting as the Super Distributor for Auto Components & Farm Equipment manufactured by "Mahindra & Mahindra Ltd.," for the Automotive Aftermarket. With newer models of vehicles being introduced in the market every year, the business has very good potential in future. The Revenue from trading Operations of automotive parts of "Mahindra & Mahindra Ltd" increased to Rs. 13.06 Crores in comparison to Rs. 9.85 Crores in the previous year registering a higher increase of 32.60% mainly due to good potential in current scenario.

Refractories Division

The Indian Refractory Industry is more than a century old. With the passage of time it has made considerable improvements both in terms of volume of production & quality of products. The strengths of the Indian Refractory Industry are its assets like –

- Availability of many raw materials in the country itself.
- Availability of skilled & qualified manpower at a cheap rate.
- Presence of a continuously increasing, big market within the country itself.

These resources have been fully exploited by the refractory manufacturers to derive maximum benefits from them. According to a recent data at present, the Refractory Industry in India has an installed capacity of 1.7 million metric tons per annum from about 90 refractory units out of which 30 large and medium and 60 small scale units with a capital investment of about Rs.800 crores & providing direct employment to more than 30000 people engaged in manufacturing various grades of Refractories as per international standards and qualities. The annual production from these units has been in the range of 0.70 million tons, which implies capacity utilization of less than 50% of the installed capacity. This figure reflects that the trend of refractory production in India is almost comparable with the world trend where total installed capacity of about 2000 companies is roughly 40 million tons and the production is about 20 million tons which is almost 50% of capacity utilization.

Within a short span of its commencement of manufacturing of Refractories Bricks, The Division has long list of satisfied customers. The Revenue from Operations of the division increased to Rs. 4.74 Crores in comparison to Rs. 5.47 Crores in the previous year registering a slight decrease of 12.80%. During the year under review the Company has not exported bricks.



Wind Energy Generation

The development of **wind power in India** began in the 1990s, and has significantly increased in the last few years. Although a relative newcomer to the wind industry compared with Denmark or the US, India has the fifth largest installed wind power capacity in the world. In 2009-10 India's growth rate was highest among the other top four countries.

As of 31 March 2011 the installed capacity of wind power in India was 4550 MW, mainly spread across Tamil Nadu (6007MW), Maharashtra (2310.70MW), Gujarat (2175.60 MW), Karnataka (1730.10MW), Rajasthan (1524.70 MW), Madhya Pradesh (275.50MW), Andhra Pradesh (200.20MW), Kerala (32.8 MW), Orissa (2MW), West Bengal (1.1 MW) and other states (3.20 MW) It is estimated that 6,000 MW of additional wind power capacity will be installed in India by 2012. Wind power accounts for 6% of India's total installed power capacity, and it generates 1.6% of the country's power. India's wind atlas is available.

The worldwide installed capacity of wind power reached 197 GW by the end of 2010. China (44,733 MW), US (40,180 MW), Germany (27,215 MW) and Spain (20,676 MW) are ahead of India in fifth position. The short gestation periods for installing wind turbines, and the increasing reliability and performance of wind energy machines has made wind power a favored choice for capacity addition in India.

Initial cost for wind turbines is greater than that of conventional fossil fuel generators per MW installed. Noise is produced by the rotor blades. This is not normally an issue in the locations chosen for most wind farms and research by Salford University shows that noise complaints for wind farms in the UK are almost non-existent.

The Ministry of New and Renewable Energy (MNRE) has fixed a target of 10,500 MW between 2007–12, but an additional generation capacity of only about 6,000 MW might be available for commercial use by 2012.

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

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

Monsoon was not good but due to the north east monsoon and some extended monsoon would give some better generation. Wind Energy division had streamlined the process and had made efforts to put the machines running so that they have better Plant Load Factor (PLF).

We continue to face the problem of realization of funds from the government. All the power generated is being sold to the Government and hence we need to wait for the payment which is getting delayed. This is having serious repercussions on the payments to be made for various term loans.

The Revenue from Operations of the division increased to Rs. 1.17 Crores in comparison to Rs. 1.22 Crores in the previous year registering a decrease of 4.10% due to unfavourable weather condition during peak seasons

Immovable Properties:

Warehousing:

The development of organized retail in India and the rising fortunes of the manufacturing sector following India's emergence as a low-cost outsourcing hub have buoyed its warehousing market. With both domestic retail chains and international retailers experiencing a boom, there is a greater demand for advanced and comprehensive warehousing services. To cash in on the substantial opportunities, the private sector of the warehousing market must shape up and reorganize itself. Currently, it is in a highly fragmented state and comprises numerous competitors ranging from small truckers to non-registered business entities, which only offer some space for storage of goods. In many cases, manufacturers have their own chains of storage facilities owned/controlled by their stockists/distribution agencies, since the limited numbers of professional warehousing providers across the country are not enough to meet their extensive distribution needs. According to an industry report by the Associated Chambers of Commerce and Industry in India (Assocham), India is short of 10 million tonnes of cold storage capacity, resulting in the wastage of over 30 percent of agricultural produce every year.

Such disarray is compounded by the lack of Government regulations and policies regarding licensing, performance, and accountability. Unorganized participants, including small-time trucking companies, have been taking advantage of this situation by cannibalizing business from professional warehousing providers. "A much needed set of regulations in the form of the Warehousing Regulation & Development Act (WRDA) of 2007 and Goods and Services Tax (GST) are expected to improve the prospects of professional warehousing service providers in the country," says the analyst of this research. While the WRDA will



eliminate non-registered and pseudo warehousing companies, the GST will standardize rates across the nation, allowing many corporations to discontinue the practice of having their own warehouses in different states, and employ logistics companies to manage distribution and supply chains. Policies promoting Free Trade Warehousing Zones (FTWZs) under the Special Economic Zone (SEZ) Act of 2005 are also likely to encourage the addition of a significant level of modern warehousing capacity in the country.

Warehousing infrastructure developments will also receive a thrust from the improvements in transport modes. "Major projects, such as dedicated freight corridors of railways and private sea ports and airports are being undertaken to increase cargo handling capacities in the country," notes the analyst. "The resulting growth of cargo transportation is expected to augment the capacity as well as create a demand for storage and warehousing services suitable for each of the transport mode." Meanwhile, top-of-the-line property developers that have identified significant opportunities in warehousing in India are planning to build warehouses, especially since the traditional realty market is slowing down. This interest by realtors is expected to markedly enhance the availability of warehousing services and capacity in the country.

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

The Revenue from Operations of the division increased to Rs. 2.49 Crores in comparison to Rs. 2.48 in the previous year registering an increase of 0.40%.

Discussion on Financial performance

Transportation

During the year under review, your Company continued to get / renewed transportation Contracts from valued customers to cater needs of its valued clients. The Revenue from Transport Operations decreased from Rs. 35.88 Crores in the previous year to Rs 25.43 Crores in the current year registering a decrease by 29.11%. due to closure of one major Branch and increased cost of oil and spare parts. The Company has already restructured its transport activities for optimum utilization of its fleet of commercial vehicles and is hopeful to come out with satisfactory results in the days to come.

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Bricks Division

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Export of Iron Ores

During the year your Company exported 68,200 MT amounting to US D 84,30,041.65/- (INR 38,59,18,465.39) to China & Singapore as against 22,800 MT amount to US D 27,90,185.55 (INR 12,71,20,854) in the previous year, despite ups and down in International market . Your Company look forward to continue export iron ores in the current year.



Wind Energy Generation

The Revenue from Operations of the division increased to Rs. 1.17 Crores in comparison to Rs. 1.22 Crores in the previous year registering a decrease of 4.10% due to unfavourable weather condition during peak seasons

Renting of immovable properties

The Revenue from Operations of the division increased to Rs. 2.49 Crores in comparison to Rs. 2.48 in the previous year registering an increase of 0.40%.

Risk and Concerns:

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

Internal Control Systems and their adequacy:

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

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

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

Human resource:

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

Cautionary Note

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

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

**Date: 3rd September, 2011
Place: Ahmedabad**

**NARAYANPRASAD AGARWAL
DIRECTOR**

**PAWANKUMAR AGARWAL
MANAGING DIRECTOR**



Annexure - A

REPORT ON CORPORATE GOVERNANCE

1. **Company Philosophy on Code of Governance:**

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

2 **Board of Directors:**

Your Company's Board comprises of 1 Executive Director, 3 Non-executive directors and 4 independent directors. The details of the directors with regard to outside directorship position in audit committee or shareholders investor grievance committee as well as attendance at Board Meeting /Annual General Meeting are as follows:

(i) **Composition of the Board :**

Director	Executive/ Non-executive/ Independent	No. of shares held in the Company	No. of Board meetings attended	Attendance at the Last AGM	No. of outside Directorship held	Total No. Memberships/ Chairmanship of Committees across all companies	
						Member	Chairman
Shri Ram Prasad Agarwal	Chairman-cum-Non-Executive and Promoter Director	783622	4	Yes	3	-	-
Shri Narayan Prasad Agarwal	Non-Executive and Promoter Director	684700	4	Yes	3	-	-
Shri Pawan Kumar Agarwal	Managing Director Executive and Promoter Director	622266	10	Yes	3	-	-
Shri Saurabh Jhunjunwala	Non-Executive Director	385440	7	Yes	2	3	-
Shri Virendra Sharma	Independent Director	300	10	Yes	-	3	-
Shri Bharat Arora	Independent Director	-	10	Yes	-	3	3
Shri Jiw Raj Khaitan*	Independent Director	-	-	No	-	-	-
Shri Sital Kumar Banerjee*	Independent Director	-	-	No	-	-	-

*Appointed as Additional Director of the Company w.e.f. 03.09.2011. The information relating to him as on 03.09.2011

**Appointed as Additional Director of the Company w.e.f. 03.09.2011. The information relating to him as on 03.09.2011

Shri Narayan Prasad Agarwal and **Shri Saurabh Jhunjunwala**, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment. You are requested to accord your approval to their appointment.

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

(ii) **Non Executive Directors' compensation and disclosures:**

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

(iii) **Other provisions as to the Board:**



Thirteen Board Meetings were held during the financial year 2010 -2011 as against the minimum requirement of 4 meetings. The dates on which the meetings were held are given below:-

1.04.2010	31.07.2010	10.01.2011	25.03.211
30.04.2010	3.09.2010	17.01.2011	-
03.05.2010	11.10.2010	20.01.2011	-
11.05.2010	31.10.2010	14.02.2011	-

3 Code of Conduct:

Code of Conduct for Board members and Senior Managers was approved at the Board Meeting held on 03.09.2010. It is placed on website of the Company. The Company had obtained confirmation for the compliance of Code of Conduct from all the Board Members and Senior Management personnel of the Company on an annual basis.

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

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

4 Board Committees:

• Audit Committee

(i) Qualified & Independent Audit Committee:

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

#	Director	Category of Directorship	Chairman/ Member	No. of meetings held	No. of meetings attended
1	Shri Bharat Arora	Independent Director	Chairman	5	5
2	Shri Virendra Sharma	Independent Director	Member		5
3	Shri Saurabh Jhunjunwala	Non- Executive Director	Member		4

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

a. Meeting of Audit Committee

The Committee met five times during the year 201—2011 on 30.04.2010, 31.07.2010, 03.09.2010, 31.10.2010 and 14.02.2011

b. Powers of Audit Committee

The audit committee shall have following powers:

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



c. Role of Audit Committee

The role of the audit committee shall include the following:

- i. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- iii. Reviewing with management the annual financial statements before submission to the board, focusing primarily on;
 - § Any changes in accounting policies and practices.
 - § Major accounting entries based on exercise of judgment by management.
 - § Qualifications in draft audit report.
 - § Significant adjustments arising out of audit.
 - § The going concern assumption.
 - § Compliance with accounting standards.
 - § Compliance with stock exchange and legal requirements concerning financial statements
 - § Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.
- iv. Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- v. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- vi. Discussion with internal auditors any significant findings and follow up there on.
- vii. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- viii. Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- ix. Reviewing the company's financial and risk management policies.
- x. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

d. review of information by Audit Committee

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

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

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

• **Remuneration Committee:**

The Remuneration Committee was formed by the Board of Directors on 30th January, 2003 to ensure the recommendation of Remuneration of Executive Directors. During the year under review, the Committee met one time on 03.09.2010. The following are the members and their attendance at Committee Meetings:-



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

The Company has appointed a Remuneration Committee. The re-appointment of the Managing Director without remuneration had been recommended by the committee and was subsequently approved by the Board.

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

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

During the year under review, the Committee met 5 times on 30.04.2010, 31.07.2010, 03.09.2010, 31.10.2010, and 14.02.2011. The following are the members and their attendance at Committee Meetings:-

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

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

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

During the year, No complaint letter was received from the share holder. There was no pending complaint from the shareholders as on 31.03.2011. Delivery of equity shares of the Company by all investors/shareholders is now mandatory in the dematerialized form in all Stock Exchanges.



Subsidiary Companies

The company has no subsidiary company.

5. Other Disclosures:

a. Basis of related party transaction:

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

b. Disclosure of Accounting treatments:

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

c. Board Disclosures - Risk Management:

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

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

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

During the year, your Company had received letter from The Stock Exchange Mumbai for Suspension of Trading of securities on their Stock Exchange for non-compliance of some clauses of Listing Agreement. Your Company has already complied the provisions of Listing Agreement and replied to their letter for lifting of Suspension of Trading and is awaiting lifting of the suspension order. Besides above, there was no instance of Non-compliance of any matter related to the capital markets during the last three years.

e. Remuneration of Directors:

The Company has a system where all the directors or senior management of the Company are required to disclose all pecuniary relationship or transactions with the Company. No sitting fee was paid to any of the Non-Executive Directors of the Company during the financial year 2010-2011.

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

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

f. Management:

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

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

g. Shareholders:

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

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

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



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

h. CEO/ CFO Certification:

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

i. Report on Corporate Governance:

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

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

k. The company has already established a mechanism for whistle blower policy which is a non-mandatory requirement.

l. All the statutory registers that are required to be maintained, particularly Register of Contracts in which Directors have interests, Register of Directors' Shareholdings, Register of Investments etc. are maintained and continuously updated.

5. Shareholders Information:

a. General Body Meetings:

Current AGM:

Date, time and venue : 30th September, 2011 at 10.00 a.m.
4, B. B. D. Bag (East), Room No. 5
Stephen House, 1st Floor,
Kolkata – 700 001

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

AGM	Date	Time	Venue	No. of special resolutions approved
21	30.09.2010	10.00 a.m.	4, B. B. D. Bag (East), Room No. 5 Stephen House, 1st Floor, Kolkata – 700 001	Nil
20	30.09.2009	10.00 a.m.	4, B. B. D. Bag (East), Room No. 5 Stephen House, 1st Floor, Kolkata – 700 001	Nil
19	30.09.2008	10.00 a.m.	4, B. B. D. Bag (East), Room No. 5 Stephen House, 1st Floor, Kolkata – 700 001	Nil

No Extra-ordinary General Meeting was held in the Year under review.

During the year under review no resolutions were put through Postal Ballot.



7. Financial Calendar for the Financial Year 2010-2011

Financial Year	:	1st April, 2010 to 31st March, 2011
First Quarter ended	:	30th June, 2011
Half year ended	:	30th September, 2011
AGM for the year 2010-11	:	30th September, 2011
Date of the Book Closure	:	Monday, 27th September, 2011 to Thursday, 30th September, 2011 (both days inclusive)
Listing on Stock Exchange	:	The Calcutta Stock Exchange Association Limited Bombay Stock Exchange Limited The Ahmedabad Stock Exchange Limited
Stock Code	:	CSE: F 057 BSE : 532042 ASE : 17661/FROTLINENET

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

8. Means of Communication

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

9. Market Price Data

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

Month	Open Price (Rs.)	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	No. of Shares	No. of Trades	Total Turnover (Rs.)
April 2010	22.3	28.15	21.05	23.85	7168	71	171928
May 2010	24.9	30.7	24.85	28.45	537	15	15548
Jun 2010	29.8	29.8	25.65	25.65	55	6	1624
July 2010	25.65	28.05	19.15	20	11991	135	295733
August 2010	19.05	21.65	18.1	21.5	3561	28	73541

(Source: BSE Website)

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



10. Distribution of Shareholdings as on 31.03.2011

Sl. No.	Category (Shares)	Electronic			Physical			Total		
		Holders	Shares	% to total shares	Holders	Shares	% to total shares	Holders	Shares	% to total shares
1	1-500	184	31018	0.62	120	47506	0.95	304	78524	1.57
2	501-1000	39	34260	0.69	73	70200	1.40	112	104460	2.09
3	1001-2000	16	23074	0.46	7	10500	0.21	23	33574	0.67
4	2001-3000	19	47846	0.96	54	133800	2.68	73	181646	3.64
5	3001-4000	1	3100	0.06	6	21500	0.43	7	24600	0.49
6	4001-5000	8	38579	0.77	11	52100	1.04	19	90679	1.81
7	5001-10000	11	81021	1.62	6	50600	1.01	17	131621	2.63
8	10001-20000	7	101096	2.02	4	64700	1.29	11	165796	3.31
9	Above 20000	18	3815578	76.31	3	373522	7.47	21	4189100	83.79
	TOTAL	303	4175572	83.51		824428	16.48	587	5000000	100.00



**CATEGORIES OF SHAREHOLDERS (AS ON 31.03.2011)
STATEMENT SHOWING SHAREHOLDING PATTERN**

Category Code (I)	Category of Shareholder (II)	Number of shares holders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares		Share pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	No. of Shares (VIII)	As a percentage of (IX) = (VIII) / (IV)*100
(a)	Individuals/ Hindu Undivided Family	30	3496668	3476462	69.93	69.93	0.00	0.00
(b)	Central Government/ State Government(s)				0.00	0.00	0.00	0.00
(c)	Bodies Corporate	3	49300	9000	0.99	0.99	0.00	0.00
(d)	Financial Institutions/ Banks				0.00	0.00	0.00	0.00
(e)	Any Others(Specify)				0.00	0.00	0.00	0.00
	Sub Total(A)(1)	33	3545968	3485462	70.92	70.92	0.00	0.00
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)				0.00	0.00	0.00	0.00
b	Bodies Corporate				0.00	0.00	0.00	0.00
c	Institutions				0.00	0.00	0.00	0.00
d	Any Others(Specify)				0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00
	Sub Total(A)(2)	0	0	0	0.00	0.00	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	33	3545968	3485462	70.92	70.92	0.00	0.00
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI				0.00	0.00	0.00	0.00
(b)	Financial Institutions / Banks				0.00	0.00	0.00	0.00
(c)	Central Government/ State Government(s)				0.00	0.00	0.00	0.00
(d)	Venture Capital Funds				0.00	0.00	0.00	0.00
(e)	Insurance Companies				0.00	0.00	0.00	0.00
(f)	Foreign Institutional Investors				0.00	0.00	0.00	0.00
(g)	Foreign Venture Capital Investors				0.00	0.00	0.00	0.00
(h)	Any Other (specify)				0.00	0.00	0.00	0.00
	Sub-Total (B)(1)	0	0	0	0.00	0.00	0.00	0.00
B 2	Non-institutions							
(a)	Bodies Corporate	23	337671	315571	6.75	6.75	0.00	0.00
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	517	560188	204788	11.20	11.15	0.00	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	13	555138	168716	11.10	11.10	0.00	0.00
(c)	Any Other (specify)				0.00	0.00	0.00	0.00
	Clearing Members & Clearing House							
	Any Other (specify) NRI REPT	1	1035	1035	0.02	0.02	0.00	0.00
	Sub-Total (B)(2)	554	1454032	690110	29.08	29.02	0	0
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	554	1454032	690110	29.08	29.02	0.00	0.00
	TOTAL (A)+(B)	587	5000000	4175572	100.00	100.00	0.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0.00	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	587	5000000	4175572	100.00	100.00	0.00	0.00



11. Registrar and Share Transfer Agents

The company has appointed M/s. Sharepro Services (India) Pvt. Ltd., as its Registrar and Transfer Agents for physical and demat registry work. All the shareholders are requested to correspond directly with them at the following address on the matters relating to both transfers of shares as well as for demat of the shares of the company:

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

Contact Person: Mr.Nitin Joshi

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

12 Share Transfer system:

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

13 Dematerialization of shares & Liquidity:

Consequent upon the compulsory demat of the Equity Shares of the Company as notified by SEBI, about 83.52 % of the Equity Capital of the Company has been dematerialized as on 31.03.2011 as follows:

Details of Demat share Holding as on 31/03/2011

Particulars	No. of Shares	% of Capital
National Securities Depository Ltd.	4039129	
Central Depository Services (India) Ltd	136443	
Total Dematerialized	4175572	83.52
Physical	824428	16.48
Grand Total	5000000	100.00

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

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

14. Address for correspondence:

1. **Registered Office:** 4, B.B.D. Bag (East)
Stephen House,
Room No. 5, 1st Floor,
Kolkata – 700 001



- 2. Corporate Office:** 4th Floor, Shalin Building
Near Nehru Bridge Corner,
Ashram Road,
Ahmedabad – 380 006

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchange(s), it is hereby declared that all the board members and senior management personnel of the Company have affirmed compliance with the Code of Conduct for the year ended 31.3.2011.

FRONTLINE CORPORATION LIMITED

Date: September 03, 2011
Place: Ahmedabad

PAWANKUMAR AGARWAL
MANAGING DIRECTOR



C.E.O. CERTIFICATION

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

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

FRONTLINE CORPORATION LIMITED

Date: September 03, 2011
Place: Ahmedabad

PAWANKUMAR AGARWAL
MANAGING DIRECTOR



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

To,
THE MEMBERS OF FRONTLINE CORPORATION LTD.

We have examined the compliance of the conditions of Corporate Governance by Frontline Corporation Limited for the year ended 31st March 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

The quarterly result published by the company for the Financial Year 2010-2011 were subject to limited review.

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

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that based on the conditions given by the Registrar and Transfer Agent of the Company, as on 31st March, 2011, there was no investor grievance, remaining unattended.

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

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

(CA. Paresh K. Thothawala)
Proprietor
Membership No: 48435

Date : 3rd September, 2011
Place : Ahmedabad



Auditor's Report

**To,
The Members of Frontline Corporation Limited**

We have audited the attached Balance Sheet of FRONTLINE CORPORATION LIMITED as on 31st March 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us. The Report of Branch Auditors of Kolkata Division has been forwarded to us and has been appropriately dealt with;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited reports from the Kolkata Division;
 - (d) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of the written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give true and fair view in conformity; with the accounting principles generally accepted in India.
 - i) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2011:
 - ii) In Case of Profit and Loss Account, of the profit for the year ended on that date: and
 - iii) In case of the Cash Flow Statement, of the cash flow for the year ended on that date.

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

Paresh K. Thothawala
Proprietor
Membership No.48435

Ahmedabad, September 3, 2011



Annexure to Auditor's Report

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

- (i) In respect of Fixed Assets:
- (a) The Company is maintaining fixed assets register showing full particulars including quantitative details and situation of its fixed assets till 31st March 2011.
 - (b) Management of the company has carried physical verification of assets during the financial year 2010-11 and no material discrepancies were noticed on such verification.
 - (c) During the year, the Company has not disposed off major part of the fixed assets hence the question of affecting the going concern status of the Company does not arise.
- (ii) In respect of Inventories:
- (a) Inventories of finished goods, stock in trade, raw materials and stores spares have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable. In case of stocks of items like Refractory Bricks, due to the nature of the stock and the manner of its storage, the actual quantities of stocks cannot be measured on physical verification with substantial accuracy. However the difference, if any, in actual receipts and issues, is accounted for suitably.
 - (b) The procedures of physical verification of inventories followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) According to the records produced for our verification, there were no material discrepancies noticed on physical verification of stocks referred to in Para (ii) (a) above as compared to book records and the same have been properly dealt with in the books of account. The shortages and excesses noticed on physical verification as mentioned in Para (ii) (a) above are not abnormal and material according to the nature of the business of the company.
- (iii) In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
- (a) The Company had taken loans from One Party. The outstanding at year end was 22,11,907/- and Maximum amount outstanding during the year was 2,09,71,357. The Company has not granted any advance in the nature of loan to any party during the year.
 - (b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken / given from / to such parties are not, prima facie, prejudicial to the interest of the Company.
 - (c) In respect of loans taken by the Company, the principal amounts are repayable on demand and the interest payments are regular. In respect of loan given there is no stipulation as to the repayment and the interest is received regularly.
 - (d) Since there is no stipulation as to repayment on loan given, the question of over-due amounts does not arise.
- (iv) In respect of Internal Controls:
- In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure in correcting major weakness in internal controls systems. **However the company needs to strengthen internal controls over generation and disposal of scrap and accounting for fixed assets.**
- (v) In respect of transactions covered under section 301 of the Companies Act, 1956:
- (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section. Total income amounting to Rs. 10,88,04,251/- has been generated during the year from these parties.



- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time. **According to the information and explanations given to us, in respect of transaction aggregating to Rs. 10,38,99,507/- with related parties approval of appropriate authority is pending as required u/s 297 of the Companies Act, 1956. However the approval for the same is awaited.**
- (vi) During the year company has not accepted the public deposit within the meaning of Section 58A of The Indian Companies Act, 1956.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, and are of opinion that prima-facie, the prescribed accounts and records have been made and maintained.
- (ix) In respect of statutory dues:
- (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income tax, sales tax, wealth tax, customs duty, excise duty, service tax, cess and other material statutory dues applicable to it though there was a slightly delay in case of Service Tax, Professional Tax and Tax Deducted at Source. **However, the company has not deducted and paid the applicable ESI other than at Haldia Branch.**
- (b) According to the information and explanations given to us, no disputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty, service tax and cess were in arrears as at 31st March, 2011 for a period of more than six months from the date they become payable except for professional Tax as under:
- (v) In respect of transactions covered under section 301 of the Companies Act, 1956:
- (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section. Total Income amounting to Rs.26,89,429/- from Fairdeal Supplies Ltd. and Rs.4,89,19,714/- from Falgun Export Limited, Income amounting to Rs.17,95,112/- from Centre for Advance Studies in Engineering, Income amounting to Rs.1,48,895/- from Neha Trade & Finance Private Limited, Income amounting to Rs.6,92,20,778/- from M/s. Fairdeal and Income amounting to Rs.1,34,83,246/- from Scientific Weightbridge & Auto Parts has been received during the year.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time. **According to the information and explanations given to us, in respect of transaction aggregating to Rs. 13,16,23,738/- with three parties approval of appropriate authority is pending as required u/s 297 for the Companies Act, 1956. The company has already applied for approval of the same.**
- (vi) During the year the company has not accepted the public deposit within the meaning of section 58A of The Indian Companies Act, 1956. However the company has taken an interest free advances from one party shown under the head Deposits and Trade Advances in the Schedule 'D' Unsecured Loan, from a partnership firm against supply of material and outstanding balance at the year end of Rs. 5,59,09,504/-.



- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the central government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) In respect of statutory dues:
- (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income tax, sales tax, wealth tax, customs duty, excise duty, service tax, cess and other material statutory dues applicable to it though there was a slight delay in case of Service Tax, Professional Tax and Tax Deducted at source. However, the company has not deducted and paid the applicable ESI other than at Haldia Branch in respect of Kolkata Division.
- (b) According to the information and explanations given to us, no disputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty, service tax and cess were in arrears as at 31st March, 2010 for a period of more than six months from the date they become payable except for service tax, professional tax and Value Added Tax as under:

Nature of Tax	Amount (Rs.)	Period to which the amount Relates	Due Dates	Date of Payment
Professional Tax	6038/-	April 10 to August 10	15th of Next Month	-

- (c) According to the information and explanations given to us, the dues of income tax and excise duty which have not been deposited on account of disputes and the forum where dispute is pending are as under:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	35,72,862	A.Y. 2005-2006	CIT (A)
Income Tax Act, 1961	Income Tax	10,38,853	A.Y. 2006-2007	ITAT
Income Tax Act, 1961	Income Tax	5,03,879	A.Y. 2008-2009	ITAT

- (x) The Company does not have accumulated losses and has not incurred cash losses in the current financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) During the year, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- (xiv) According to the information and explanations given by the management, the Company is not dealing in or trading in shares, securities, debentures and other investments. However, the Company is holding certain investments in equity shares of companies as long term investments.



- (xv) According to the information and explanation given to us, we are of the opinion that the terms and conditions of the guarantees given by the Company, during the year, for the loan taken by others from banks or financial institutions are, prima facie, not prejudicial to the interest of the Company.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets.
- (xviii) The Company has not made preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) During the financial year, the Company did not issue any debentures. Hence, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003, regarding creation of security for debentures are not presently applicable to the Company.
- (xx) The Company has not raised any money by way of public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Companies (Auditor's Report) Order, 2003, on the end use of money are not presently applicable to the Company.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our Audit.

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

Paresh K. Thothawala
Proprietor
Membership No. 48435

Ahmedabad, September 3, 2011



BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULE	AS AT 31/03/2011 Amount in Rs.	AS AT 31/03/2010 Amount in Rs.
SOURCES OF FUNDS :			
SHAREHOLDER'S FUNDS			
Share Capital	"A"	49,774,500	49,774,500
Reserves and Surplus	"B"	108,643,290	89,685,828
LOAN FUNDS :			
Secured Loans	"C"	419,945,454	566,731,073
Unsecured Loans	"D"	35,276,119	87,322,857
Deferred Tax Liabilities (Net)		28,520,002	34,893,276
TOTAL :		642,159,365	828,407,535
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	"E"	513,403,746	583,733,717
Less: Depreciation		188,751,177	191,429,305
Net Block		324,652,569	392,304,412
Capital Work In Progress		1,598,860	1,021,303
INVESTMENT	"F"	94,416,645	94,518,099
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	"G"	128,134,484	62,378,652
Sundry Debtors	"H"	190,985,282	123,450,725
Cash & Bank Balances	"I"	28,450,484	15,861,724
Loans and Advances	"J"	176,909,726	357,568,585
SUB TOTAL(A)		524,479,975	559,259,687
Less: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	"K"	289,134,665	203,042,260
Provisions	"L"	13,854,019	15,653,706
SUB TOTAL(B)		302,988,684	218,695,967
NET CURRENT ASSETS=A-B		221,491,291	340,563,720
TOTAL :		642,159,365	828,407,535

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

"W"

On Behalf of Board

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

Narayanprasad Agarwal
Director

Paresh K. Thothawala
Proprietor
M.No. 48435

S.K.Verma
Company Secretary

Pawankumar Agarwal
Managing Director

Date: 03/09/2011
Place: Ahmedabad

Date: 03/09/2011
Place: Ahmedabad



PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2011

PARTICULARS	SCHEDULE	YEAR ENDED 31/03/2011 Amount in Rs.	YEAR ENDED 31/03/2010 Amount in Rs.
INCOME			
Revenue from Operations	"M"	1,014,902,669	931,969,213
Other Income	"N"	73,245,183	36,365,625
Increase/(decrease) in Finished Goods	"O"	752,122	(650,921)
		1,088,899,974	967,683,918
EXPENDITURE			
Material Cost	"P"	562,123,969	406,585,686
Operational Expense	"Q"	328,628,782	372,656,591
Payment to & Provision for Employees	"R"	26,161,599	28,908,329
Administrative & Other Charges	"S"	35,461,873	33,775,273
Financial Charges	"T"	76,533,907	44,611,936
Depreciation		35,334,238	43,729,917
		1,064,244,368	930,267,733
PROFIT BEFORE TAX & PRIOR PERIOD ADJUSTMENTS		24,655,606	37,416,185
Provision for Current Taxes	"U"	4,356,726	20,394,815
<u>Earlier Periods</u>			
Income Tax		527,581	0
PROFIT AFTER TAX BUT BEFORE PRIOR PERIOD ADJUSTMENTS		19,771,299	17,021,370
Prior Period Adjustments	"V"	813,837	1,535,360
PROFIT FOR THE YEAR		18,957,462	15,486,010
Add:Brought Forward Profit		89,685,828	74,199,818
Profit Available For Appropriations		108,643,290	89,685,829
APPROPRIATIONS			
Amount appropriated towards defined benefit Obligation of Earlier Year		0	0
Balance Carried to Balance Sheet		108,643,290	89,685,829
		108,643,290	89,685,829
Basic/Dilluted Earning Per Share (Rs.)		3.81	3.11

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

"W"

On Behalf of Board

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

Narayanprasad Agarwal
Director

Paresh K. Thothawala
Proprietor
M.No. 48435

S.K.Verma
Company Secretary

Pawankumar Agarwal
Managing Director

Date: 03/09/2011
Place: Ahmedabad

Date: 03/09/2011
Place: Ahmedabad



CASH FLOW STATEMENT FOR THE PERIOD FROM APRIL, 2010 TO MARCH, 2011.

Particulars	For the year ended	
	31st March, 2011	31st March, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	24,655,606	37,416,185
Adjusted for		
Depreciation	35,334,238	43,729,917
Interest Income	(16,276,894)	(3,004,266)
Interest Expenses	76,533,907	44,611,936
Provisions	1,068,571	738,373
(Profit) / Loss on sale of fixed assets	781,378	(452,807)
Prior Period Adjustment of Defined Benefit Obligation	-	-
	88,846,042	85,623,154
Operating Profit Before Working Capital Changes	113,501,648	123,039,339
Adjusted for		
Trade & Other Receivables	98,951,631	(338,859,957)
Stock in Hand	(65,755,832)	(19,687,664)
Trade Payable, Other Current Liab. & Provision	84,292,718	118,303,365
	117,488,517	(240,244,256)
Cash Generated from Operations	230,990,165	(117,204,917)
Direct Taxes Paid	(2,733,741)	9,441,927
Cash Flow Before Extra-ordinary Items	233,723,069	(126,646,844)
Extra-ordinary Items:		
Compensation		
Prior period adjustments	813,837	1,535,360
Cash Flow from Operating Activities	232,910,906	(128,182,204)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(13,591,303)	(18,724,087)
Disposal of Fixed Assets	53,722,691	945,000
Increase in Capital Work in Progress	(577,557)	(145,632)
Movement in Loans & Advances	(887,221)	2,663,384
Interest Received	16,276,894	3,004,266
Investment made in Real Estate	101,454	119,853
Net Cash from Investing Activities	55,044,958	(12,137,216)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	-	-
Proceeds from Long Term Borrowing	-	228,385,205
Proceeds from Working Capital Limit	(99,801,940)	100,375,226
Repayment of Long Term Borrowing	(46,983,684)	(32,889,173)
Movement in Unsecured Loans	(52,046,738)	(110,994,127)
Interest Paid	(76,533,907)	(44,611,936)
Dividend & Corporate Dividend Tax Paid	-	(60,200)
Net Cash from Financing Activities	(275,366,269)	140,204,995
Net Cash Flows During the Year (A+B+C)	12,588,759	(114,425)
Opening Balance of Cash and Cash Equivalents	15,861,725	15,976,150
Closing Balance of Cash and Cash Equivalents	28,450,484	15,861,725



Notes:

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

	As at 31.03.2011	As at 31.03.2010
Cash in hand	11,696,748	7,473,909
Balances with banks:-		
- In Current Accounts	8,115,567	7,349,608
- In Fixed Deposits	8,638,168	1,038,208
	28,450,484	15,861,725

On Behalf of Board

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

Narayanprasad Agarwal
Director

Paresh K. Thothawala
Proprietor
M.No. 48435

S.K.Verma
Company Secretary

Pawankumar Agarwal
Managing Director

Date: 03/09/2011
Place: Ahmedabad

Date: 03/09/2011
Place: Ahmedabad



SCHEDULE FORMING PART OF THE BALANCE SHEET

PARTICULARS	31.03.2011	31.03.2010
Schedule : 'A' : Share Capital		
<u>Authorised Capital</u>		
60,00,000 Equity Shares (P.Y. 60,00,000 Equity Shares) of Rs.10/-each	60,000,000	60,000,000
<u>Issued & Subscribed</u>		
50,00,000 Equity Shares (P.Y. 50,00,000 Equity Shares) of Rs.10/-each (Including 563700 Fully Paid up Equity Shares of Rs.10/- each issued as Bonus Shares by way of Capitalization of Accumulated Profits)	50,000,000	50,000,000
Less : Calls In Arrear	225,500	225,500
	49,774,500	49,774,500
Schedule : 'B' : Reserves & Surplus		
Opening Balance of Profit & Loss A/C	89,685,828	74,199,818
Add: Profit for the year	18,957,462	15,486,010
Less: Amount appropriated towards Defined benefit obligation for earlier period	0	0
	108,643,290	89,685,828
Schedule : 'C' : Secured Loans		
Term Loans from Banks	238,584,142	253,452,259
Term Loans -Others	46,370,179	78,485,743
Working Capital Facilities	134,991,133	234,793,072
	419,945,454	566,731,073
Term Loans from Bank are secured by mortgage of some of the buildings of the company and Hypothication of movable assests and some of the Vehicles of the company.		
Term Loans -others are secured by the Hypothecation of Specified vehicles Financed by the lenders to the company and also by personal guarantee of some of the Directors of the Company.		
Working Capital Facilities are secured by hypothycation of inventories and Book Debts, as well as mortgage of some of the property of the company,The Bank is also holding personal guarantee of some of the Directors of the company		
Schedule : 'D' : Unsecured Loans		
From Body Corporate	24,384,348	22,429,582
From Directors	275,000	275,000
Security Deposit and Trade advances	10,616,771	64,618,275
	35,276,119	87,322,857

Schedule 'E' : Fixed Assets											
Sr No	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01/04/2010	Additions	Deletions/ Adjustments	As on 31/03/2011	As On 1/04/2010	For the Year	Deletions	As on 31/03/2011	As on 31/03/2011	As on 31/03/2010
(A)	Intangible Asset										
	Software	96,004	-	-	96,004	34,664	32,000	-	66,664	29,340	61,340
(B)	Tangible Asset										
I	LAND	88,335,998	9,125,149	-	97,461,147	-	-	-	-	97,461,147	88,335,998
II	BUILDING	146,871,572	-	-	146,871,572	10,554,939	2,394,006	-	12,948,945	133,922,627	136,316,633
III	PLANT & MACHINERY AND EQUIPMENTS	140,595,444	3,930,791	7,522,916	137,003,319	73,875,550	12,920,694	8,312,367	78,483,878	58,519,441	66,719,894
IV	FURNITURE & FIXTURES	5,480,660	120,425	-	5,601,085	3,291,382	329,684	-	3,621,066	1,980,019	2,189,278
V	VEHICLES	202,354,041	414,938	76,398,358	126,370,619	103,672,774	19,657,855	29699995	93,630,625	32,739,995	98,681,268
(A+B)	TOTAL	583,733,719	13,591,303	83,921,274	513,403,746	191,429,308	35,334,238	38,012,362	188,751,177	324,652,569	392,304,411
	GRAND TOTAL	583,733,719	13,591,303	83,921,274	513,403,746	191,429,308	35,334,238	38,012,362	188,751,177	324,652,569	392,304,411
	Previous Year	568,204,653	18,724,088	3,195,022	583,733,719	150,402,222	43,729,915	2,702,829	191,429,308	392,304,441	417,802,435



PARTICULARS			31.03.2011	31.03.2010
Schedule : 'F' : Investments				
Shares & Securities				
Non Trade Long Term (At Cost)				
A.Quoted Equity Shares (Fully Paid Up)	Face Value	Nos.	Amount	Amount
NIL (P.Y. 50) Share of Ginni Filament Pvt.Ltd.	10	50	0	1,750
6628 (P.Y.22650)Shares of Green Ply Industries Ltd.	5	22650	705,096	904,800
Long Term (Unquoted)				
600 (P.Y.600) Shares of Sonal Sil-Chem Ltd.	10	600	0	0
			705,096	906,550
(Aggregate Market Value of Quoted Investments)				
			705,096	2,767,053
NSC Certificate			100,000	
Investment in Immovable Properties(At Cost)				
			93,611,549	93,611,549
TOTAL				
			94,416,645	94,518,099
Note:The company is holding 600 Equity Shares of Rs.10 each of Sonal Sil-Chem Ltd which has been delisted and the amount has been fully written off the Books of Account.				
Schedule : 'G' : Inventories				
(As Valued & Certified By Management)				
Consumable Stores & Tools			85,232	495,592
Stock in Trade			122,822,914	52,710,492
Finished Goods			4,928,195	3,047,179
Raw Materials			190,343	4,888,695
Work in Progress			107,800	1,236,694
			128,134,484	62,378,652
Schedule : 'H' : Sundry Debtors				
Unsecured Considered Good				
Debts Outstanding For a period				
Exceeding Six Months			23,650,189	48,251,143
Others			167,335,093	75,199,582
			190,985,282	123,450,725
Unsecured Considered Doubtful				
Outstanding For a period exceeding six month			6,964,923	6,185,182
Less: Provisions			2,093,506	1,313,765
Less: Provision for Claim			4,871,417	4,871,417
(Refer note no.2 of Part D of Schedule "W")			0	0
			190,985,282	123,450,725
Schedule : 'I' : Cash & Bank Balances				
Cash on Hand			11,696,748	7,473,909
Balances with Scheduled Banks				
In Current Accounts			8,115,567	7,349,608
In Fix Deposit Account			8,638,168	1,038,208
			28,450,484	15,861,724



PARTICULARS	31.03.2011	31.03.2010
Schedule : 'J' : Loans & Advances		
<u>LOAN & ADVANCE</u>		
Unsecured Considered Doubtful		
Doubtful Advance	40,000	40,000
Less: Provision	40,000	40,000
	0	0
Unsecured Considered Good		
Loans & Advances		
Recoverable in cash or in Kind or for value to be received	166,214,452	334,720,912
For Capital Expense	3,398,342	1,891,120
Deposits	3,662,994	3,331,293
Advance Income Tax (Net)	3,633,938	17,625,260
	176,909,726	357,568,585
	176,909,726	357,568,585
Schedule : 'K' : Current Liabilities		
Sundry Creditors	247,828,375	177,129,087
Advance from Customers	13,524,642	3,639,204
Other Liabilities	27,781,648	22,273,969
	289,134,665	203,042,260
	289,134,665	203,042,260
Schedule : 'L' : Provisions		
Provisions for Expense	13,854,019	15,653,706
Provisions for FBT(Net)	0	0
	13,854,019	15,653,706
	13,854,019	15,653,706
SCHEDULE FORMING PART OF THE PROFIT & LOSS A/C.		
Schedule : 'M' : Revenue From Operations		
Sales	715,995,530	528,830,165
Transport Operations	240,345,910	347,257,936
Loading and Unloading Income	13,998,288	11,515,673
Rent Income on Let out Property	25,042,242	24,970,425
Wind Energy	11,731,751	12,176,208
Other Operational Income	7,788,948	7,218,806
	1,014,902,669	931,969,213
	1,014,902,669	931,969,213
Schedule : 'N' : Other Income		
Interest on Banks (Gross,T.D.S.Rs.13291/-,P.Y.Rs.12610/-)	194,569	77,272
Interest on Others	16,082,325	2,926,994
Provision No Longer Required Written Back	754,831	374,022
Profit on Sale of Assets	8,276,403	452,807
Incentive From Supplier	18,273,212	13,426,962
Foreign Exchange Fluctuation (Net)	570,723	5,000,350
Sundry Balances Written off	466,264	493,047
Miscellaneous Income	28,626,857	13,614,172
	73,245,183	36,365,625
	73,245,183	36,365,625



PARTICULARS	31.03.2011	31.03.2010
Schedule : 'O' : (Increase) / Decrease in Finished Goods		
Opening Stock of Finished Goods & W.I.P.	4,283,873	4,934,794
Closing stock of Finished Goods & W.I.P	5,035,995	4,283,873
Accretion/Decretion to Stock	(752,122)	650,921
Schedule : 'P' : Materials Cost		
Raw Materials Consumed		
Opening Stock	4,888,695	5,307,114
Add : Purchases	21,235,307	24,422,088
Less : Closing Stock	190,343	4,888,695
	25,933,659	24,840,508
Goods Traded In		
Opening Stock	52,710,492	31,640,438
Add : Purchases	605,401,689	401,820,296
Less : Closing Stock	122,822,914	52,710,492
	535,289,267	380,750,242
Consumable Stores & Tools		
Opening Stock	374924	808,641
Add : Purchases	558,491	561,220
Less : Closing Stock	32,372	374,924
	901,043	994,937
	562,123,969	406,585,686
Schedule: 'Q' : Operation Expenses		
Freight Payment	137,303,161	147,175,296
Trip Expense And Allowances	43,631,376	34,746,558
Diesel Expense	72,139,849	98,123,150
Claims	7,998,108	4,747,218
Loading & Unloading Expense	69,958	521,799
Power	1,294,552	1,939,448
Repairs & Maintenance	22,207,068	40,837,258
Other Operational Expense	43,984,711	44,565,865
	328,628,782	372,656,591
Schedule: 'R' : Payment to & Provision for Employee		
Salary, Bonus & Allowances	22,182,605	24,770,123
Staff Welfare Expense	2,578,066	2,425,659
Employers Contribution to P.F., E.S.I.,etc.	1,400,929	1,712,547
	26,161,599	28,908,329
Schedule : 'S' : Administrative & Other Expenses		
Travelling & Conveyance Expense	2,293,336	2,629,673
Auditors Remuneration	208,986	271,170
Insurance Premium	2,819,611	3,053,373



PARTICULARS	31.03.2011	31.03.2010
Rates & Taxes	1,623,938	6,914,976
Rent	1,998,146	1,943,911
Loss on Sale of Fixed Assets	462,623	-
Provision for doubtful debts and advances	1,068,571	738,373
Bad debt Written off / Sundry Balance Written Off (Net)	770,181	1,182,767
Penalty/Fines	90,875	230,750
Investment Written Off	-	-
Other Administrative Expense	23,619,442	16,712,123
Brokerage and Commission	506,164	98,156
	35,461,873	33,775,273
Schedule : 'T' Financial Charges		
Interest on Term Loans	11,485,362	8,849,166
Bank Interest	46,672,452	24,529,549
Others	18,376,093	11,233,221
	76,533,907	44,611,936
Schedule:'U' Provision for Current Taxes		
Provision for Current Tax	10,730,000	6,400,000
Provision for FBT	-	-
Provision for Deferred Tax	(6,373,274)	13,994,815
	4,356,726	20,394,815
Schedule:'V' Prior Period Adjustment		
Prior Priod Income (Net)	813,837	1,535,360
	813,387	1,535,360



SCHEDULE "W"

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

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

2 Use of Estimate:

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

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

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

(b) Manufacturing Activities:

Inventories are valued as per the following method:

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

4 Depreciation:

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

5 Intangible Asset:

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

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

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

6 Loose Tools:

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

7. Revenue Recognition:

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

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

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



- (c) In Manufacturing Division value of sales are exclusive of Excise Duty.
- (d) In respect of Trading concern, revenue is recognized at the time of sale of goods.

8 Fixed Assets:

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

9 Foreign Currency Transactions:

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

10 Investments:

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

11 Accounting for employee benefits:

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

12 Borrowing Cost:

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

13 Taxes on Income:

- (a) Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting incomes that originate in one period and is capable of reversal in one or more subsequent periods.
- (b) Deferred tax is measured based on the tax rate and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against such deferred tax assets can be realised.

14 Impairment of Assets:

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



15 Provision, Contingent Liabilities and Contingent Assets:

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

16 Inter-divisional Transfers:

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

B. NOTES TO ACCOUNTS

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

4. Payment to Auditors:

PARTICULAR	Year ended 31/03/2011	Year ended 31/03/2010
a) Audit Fees	208986	222982
b) Taxation matters	11030	4964
c) Management Consultancy	8824	16545
d) Service Tax	NIL	17855

5. **Capital Work in Progress**

The company has incurred expenditure for site development in respect of various plots acquired during the year 2010-11. Pending completion of work the amount is shown under Capital Work in progress. Final allocation of the same to the respective plots will be done on completion of work as capitalised and amount Rs.15,98,860/ still pending as WIP.

6. The company has provided Unsecured Loan to Gateway Commodities(P) Ltd. during the year and year end balance is Rs.8,07,57,806/-
7. 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.
8. Fixed Deposits of Rs. 82,18,227/- are pledged with bank for various facilities.
9. Advances Recoverable in cash or in kind under the head Current Assets includes Rs.51,15,594/- (P.Y. Rs. 87,47,890) being advance tax refundable under Income Tax Act,1961 in respect of various years with held by authorities in respect of disputed tax demands for which appeals are pending before various authorities. The company is confident of favourable disposal of the same and hence no provision is considered necessary in respect thereof.



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

- 1 None of the Employees of the Company was in receipt of Salary exceeding Rs.200,000/- per month (Previous Year Rs. 2,00,000/-) for either part or full year.
- 2 Quantitative information of Licensed and Installed capacity, production, purchases, Raw Material Consumed and sales and stock of each class of goods manufactured / traded:

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

Refractory Bricks	2010-11 (M.T.)	2009-10 (M.T.)
Licensed Capacity *	N.A.	N.A.
Installed Capacity	4800.00	4800.00
Production	3322.42	3578.90

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

(b) Stock and Turnover:

Refractory Bricks	2010-11		2009-10	
	M.T.	Rs. In Lacs	M.T.	Rs. In Lacs
Opening Stock	271.64	27.14	325.84	33.31
Closing Stock	359.99	47.50	271.64	27.14
Turnover	3234.07	460.61	3633.10	546.86

(c) Raw Material Consumed :

Raw Materials	Opening Stock		Purchase		Consumed		Closing Stock	
	Tons	Rs. In Lacs	Tons	Rs. In Lacs	Tons	Rs. in Lacs	Tons	Rs. In Lacs
Grog	314.242	11.51	646.554	39.61	964.796	53.34	Nil	Nil
	(329.598)	(12.33)	(1032.914)	(41.49)	(1044.27)	(40.09)	(318.242)	(11.51)
Bauxite	88.279	9.56	649.99	62.01	738.270	72.38	Nil	Nil
	(87.004)	(10.33)	(731.113)	(63.36)	(729.838)	(64.13)	(88.279)	(9.56)
Clay	108.802	2.00	477.896	7.57	574.482	9.66	12.216	.11
	(178.213)	(2.05)	(580.477)	(9.23)	(649.888)	(9.29)	(108.802)	(2.00)
Dyspore	80.891	13.08	127.481	16.29	208.372	29.90	Nil	Nil
	(74.433)	(11.29)	(390.78)	(53.31)	(384.322)	(51.22)	(80.891)	(13.08)
Pyrophilite	115.47	4.20	137.545	5.91	253.015	11.12	Nil	Nil
	(116.516)	(2.87)	(421.91)	(24.13)	(422.956)	(22.79)	(115.47)	(4.20)
Others	209.710	8.54	426.464	80.96	583.489	93.95	52.69	1.79
	(235.487)	(14.20)	(426.8215)	(52.86)	(452.5985)	(59.42)	(209.71)	(8.54)
Total	921.394	48.89	2465.93	212.35	3322.424	270.35	64.90	1.90
	(1021.251)	(53.071)	(3584.016)	(244.373)	(3683.873)	(247.234)	(921.394)	(48.887)

Note: Figures in bracket related to previous year

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

	2010-11			2009-10		
	Rs. In Lacs Raw Materials	Rs. In Lacs Stores, Spares	% to	Rs. In Lacs Raw Materials	Rs. In Lacs Stores, Spares	% to
Imported	NIL	NIL		NIL	NIL	
Indigenous	259.34	9.01	100%	247.234	9.95	100%

(e) : Goods Traded

Description	Units	Opening Stock		Purchase		Sale		Closing Stock	
		Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)
Automobile Components	Pcs	262321 (228808)	39162510 (31036677)	1420868 (1125585)	286075011 (228248904)	1245279 (1092072)	276082917 (228643901)	437908 (262321)	71772085 (39162510)
Lubricants	Ltr.	1045 (875)	598164 (99507)	22362 (14247)	11254716 (7956099)	20014 (14077)	8932606 (7646002)	3393 (1045)	2158913 (598164)
Coking Coal	M.T.	NIL (NIL)	NIL (NIL)	NIL (14820)	NIL (89740760)	NIL (14820)	NIL (118034346)	NIL (NIL)	NIL (NIL)
Lam Coke	M.T.	NIL (NIL)	NIL (NIL)	680 (609)	12954000 (10325192)	680 (609)	12971000 (10326338)	NIL (NIL)	NIL (NIL)
Iron Ore	M.T.	6001 (NIL)	12949819 (NIL)	77477 (28801)	295117961 (77536975)	71200 (22800)	401818465 (127120854)	12278 (6001)	59222795 (12949819)

Note: Figures in bracket related to previous year

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

Year	Units Generated (KWH)	Value in Rs.	Units sold (KWH) (Including Unbilled Units)	Value in Rs.
2010-11	4037328	11731751	4037328	11731751
2009-10	4306297	1,21,76,208	4306297	1,21,76,208

Note: The above units include 62672 (Value Rs.187020/-) unbilled units for the year 2010-11 and 109670 (Value Rs.323526/-) for the year 2009-10

4. Expenditure in Foreign Currency

Particulars	2010-11	2009-10
Ship Freight & Demmorage Charges (Freight-1574187.93 US \$ & Demmorage-27949.05 US\$)	73739294	36895045
Sampling & Analysis Charges (41200 US\$)	187584	127764
Supervision charges (2000 US\$)	91400	96080

5. Receipt in Foreign Currency

Particulars	2010-11	2009-10
Export Sale	385918465	127120854

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

Particulars	2010-11	2009-10
Bank Guarantees Issued	10,30,00,000	60,50,000
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	51,15,594	87,47,890
Suit filed by The New India Insurance Co. Ltd. to recover amount under The Carriers Act	2,12,87,770	2,12,87,770
LC discounted with bank (Sino Steel Holding Pvt. Ltd.)	-	12,51,93,576
Advance on purchase of Land	22,00,000	10,38,000
Service tax on Rental Income	26,34,837	22,04,241
TOTAL CONTINGENT LIABILITY	17,48,89,719	20,46,72,995

2 Provisions for Claims :

Nature of Liability	Provisions as on 01.04.2010	Additions	Amount Used	Reversal, if any during the year	Provision as on 31.03.2011
Claims	48,71,417	Nil	Nil	Nil	48,71,417
Total	48,71,417	Nil	Nil	Nil	48,71,417

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

3 Earning Per Share (EPS) Basic and Diluted

Particulars	For the year ending	
	March 31, 2011	March 31, 2010
Profit after tax (Amount Rs.)	1,89,57,462	1,54,86,010
Weighted Average Number of Equity shares outstanding	49,77,450	49,77,450
EPS (Rupees)	3.81	3.11

4 Deferred Tax

Particulars	Year Ended	
	31/03/11	31/03/10
(A) The movement in deferred tax account is as follows: Opening Balance	3,48,93,276	2,08,98,461
Provision for current year deferred tax liability(net)	(6,373,274)	1,39,94,815
Closing balance of deferred tax liability	2,85,20,002	3,48,93,276



(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	2,94,93,218	3,57,35,078
Deferred Tax Assets	(9,73,216)	(8,41,802)
	2,85,20,002	3,48,93,276

Particulars	Opening	Charged/ Credited To P&L	Closing
Deferred Tax Liabilities			
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	3,57,35,078	(62,41,860)	2,94,93,218
TOTAL (A)	3,57,35,078	(62,41,860)	2,94,93,218
Deferred Tax Assets			
Tax impact of expenses charged in the financial statements but allowable in future years under income tax			
Bonus Payable	4,23,489	(1,09,526)	3,13,963
Disallowance of Exp. due to late payment of TDS	NIL	NIL	NIL
Provision, Doubtful Advances	12,360	NIL	12,360
Provision Doubtful Debts	4,05,953	2,40,940	6,46,893
TOTAL(B)	8,41,802	1,31,414	9,73,216
Net Deferred Tax Liability (A-B)	3,48,93,276	(63,73,274)	2,85,20,002

4 Related Party disclosures under Accounting Standard 18

1 Party where control exists

Nil

2 Other related parties with whom transactions have taken place during the year

Joint Venture Company

Nil

Associates

Fair deal Supplies Limited

Falgun Export Pvt. Limited

Centre for Advanced studies in Engineering

Fair Chemical & Marketing

Prima Financial Services Ltd.

Fair deal (partnership firm)

Frontline Industries Limited



Jhunjhunwala Charitable Trust
Scientific Weigh Bridge & Auto parts
(partnership firm)
Shiv Shakti Steel Pvt .Ltd

3. Key Management Personnel & their relatives:

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

Sr. No.	Nature of transactions with related parties	Associate / Joint Venture	
		2010-11	2009-10
1	<u>Interest on Loan</u>	24,25,531	18,55,511
	Shiv Shakti Steel Pvt. Ltd	23,07,729	1,746,246
	Others (Prima Financial Services Ltd.)	1,17,802	1,09,265
2	<u>Purchase of Goods</u>	85,00,000	Nil
	Shiv Shakti Steel Pvt. Ltd.	85,00,000	Nil
3	<u>Sale of Goods</u>	10,17,53,556	20,18,70,023
	Fairdeal Supplies Ltd	45,53,290	12,27,55,719
	M/S Fairdeal (Partnership Firm)	7,90,77,227	6,92,20,778
	Scientific Weight Bridge & Auto Parts (Partnership Firm)	1,81,23,039	1,34,83,246



4	<u>Transportation Income</u>	54,91,142	5,04,82,006
	Fairdeal Supplies Ltd	2,90,274	26,02,708
	Shiv Shakti Steel Pvt. Ltd.	51,96,968	Nil
	Falgun Export Pvt. Ltd.	3,900	4,78,79,298
5	<u>Sale of Internet Service</u>	4,48,778	17,95,112
	Centre of Advanced Studies in Engineering	4,48,778	17,95,112
6	<u>Rent Income</u>	61,180	61,180
	Fairdeal Supplies Ltd	61,180	61,180
7	<u>Rent Expense</u>	266,164	266,164
	Fairdeal Supplies Ltd	66,000	66,000
	Ramprasad Agrawal	119,894	119,894
	Baijnath & Sons - HUF	32,270	32,270
	Pawankumar Agrawal	48,000	48,000
8	<u>Weigh Bridge Income</u>	71,909	47,836
	Falgun Export Pvt. Ltd.	71,909	47,836
9	<u>Income from Excavator</u>	2,06,511	411,498
	Falgun Export Pvt. Ltd.	2,06,511	411,498
10	<u>Income from Loading & Unloading</u>	7,71,175	10,79,301
	Fairdeal Supplies Ltd.	Nil	86,721
	Falgun Export Pvt. Ltd.	7,71,175	9,92,580
11	<u>Sale of Lame Coke</u>	Nil	148,895
	Neha Trades & Finance Pvt. Ltd.	Nil	148895
12	<u>Outstanding as at year end</u>		
	<u>Net Receivable</u>	2,08,88,258	3,33,41,715
	Fairdeal Supplies Ltd	2,08,66,110	3,33,41,715
	Neha Trades & Finance Pvt. Ltd.	22,148	148,895
	<u>Net Payable</u>		
	<u>Unsecured Loan</u>	37,87,934	2,24,29,582
	Shiv Shakti Steel Pvt. Ltd	22,11,907	20,971,357
	Prime Financial Services Ltd.	15,76,027	14,58,225
	<u>Advance from Customer/Creditors</u>	21,351,839	10,08,982
	Fairdeal Supplies Ltd	96,88,429	Nil
	Shiv Shakti Steel Pvt. Ltd.	85,03,032	Nil
	Falgun Export Pvt. Ltd.	31,60,378	10,08,982
	<u>Bad Debts Written Off</u>	1,48,895	Nil
	Neha Trades & Finance Pvt. Ltd	1,48,895	Nil



5. Disclosure required as per AS-15

#	Particulars	2010-11	2009-10
1	Reconciliation of opening and closing balance of the defined benefit obligation		
	Present value of obligations as at beginning of year	1723148	1264098
	Interest cost	137852	101128
	Current Service Cost	365452	259259
	Benefits paid	(224695)	Nil
	Actuarial (gain)/loss on obligations	(71219)	98663
	Present Value of Obligation as at end of Year	1930538	1723148
2	Reconciliation of opening and closing balances of the fair value of plan asset		
	Fair value of plan assets at beginning of year	2204761	1292542
	Expected return on plan assets	197539	116525
	Contributions	19713	795694
	Benefits paid	(224695)	Nil
	Actuarial Gain/(Loss) on Plan assets	NIL	NIL
	Fair value of plan assets at the end of year	2197318	2204761
3	Table showing fair value of plan assets		
	Fair value of plan assets at beginning of year	2204761	1292542
	Actual return of plan assets	197539	116525
	Contributions	19713	795694
	Benefits paid	(224695)	Nil
	Fair value of plan assets at the end of year	2197318	2204761
	Funded status	266780	481613
	Excess of Actual over estimated return on plan assets		
	Actual rate of return = Estimated rate of return as ARD falls on 31st March)	NIL	NIL
4	Actuarial Gain/Loss recognized		
	Actuarial gain/(loss) for the year –Obligation	71219	109717
	Actuarial (gain)/Loss for the year – plan assets	NIL	NIL
	Total (gain)/Loss for the year – plan assets	(71219)	(109717)
	Actuarial (gain)/Loss recognized in the year	(71219)	(109717)
5	Amounts to be recognized in the balance sheet		
	Present value of obligations as at the end of year	1930538	1292542
	Fair value of plan assets as at the end of the year	2197318	1723148
	Funded status	266780	481613
	Net Asset/(liability) recognized in balance sheet	266780	481613
6	Expenses Recognized in statement of profit & loss		
	Current Service cost	365452	259259
	Interest cost	137852	101128
	Expected return of plan assets	(197539)	(116525)
	Net actuarial (gain)/Loss recognized in the year	(71219)	(98663)
	Expenses recognized in statement of profit & loss	234546	342525
	Assumptions		
	Discount Rate	8 %	8 %
	Salary Escalation	7 %	7 %



7. Segment Information :
BUSINESS SEGMENT

Particulars	Wind Energy Rs.	Trading Rs.	Manufacturing Rs.	Transportation Rs.	Renting of Immovable Properties Rs.	Others Rs.	Total Rs.
Revenue							
External Sales :							
Domestic Sales	13,008,527	304,634,648	47,741,011	254,344,198	24,886,242	58,366,883	702,981,509
	12,176,208	365,621,380	54,666,482	358,773,609	24,814,425	24,510,960	840,563,064
Export Sales	-	385,918,465	-	-	-	-	385,918,465
	-	127120854	-	-	-	-	127,120,854
Total External Sales	13,008,527	690,553,114	47,741,011	254,344,198	24,886,242	58,366,883	1,088,899,974
	12,176,208	492,742,234	54,666,482	358,773,609	24,814,425	24,510,960	967,683,918
Add: Inter Segment Sales	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total Segment Sales/ Revenue	13,008,527	690,553,114	47,741,011	254,344,198	24,886,242	57,614,761	1,088,147,852
	12,176,208	492,742,234	54,666,482	358,773,609	24,814,425	24,510,960	967,683,918
Segment result before interest, exceptional/ extraordinary items & tax	3,653,136	411,111,612	8,925,324	62,913,148	21,571,020	36,984,728	101,189,512
	1,154,360	108,610,753	12,514,660	41,873,698	22,062,252	104,187,602	82,028,121
Add: Unallocated Income Net of Unallocable Exp.							-
Less : Interest	3,900,150	19,818,574	44,777	45,726,852	2,147,859	4,895,695	76,533,907
	4,531,573	9,308,250	3,779,999	35,261,271	3,272,040	11,541,197	44,611,936
Profit Before Exceptional/ Extra Ordinary items & tax	-247,014	21,293,039	8,880,547	-17,186,296	19,423,161	-41,880,423	24,655,605
	-3,377,213	99,302,503	8,734,661	6,612,427	18,790,212	-92,646,405	37,416,185
Prior Period Adjustment	(15,848)	-	(245,840)	(36,912)	(461,360)	(53,877)	(813,837)
	-2,166	-	33,929	-171,548	1,179,421	-148,296	(1,535,363)
Profit Before taxes	-262,862	21,293,039	8,634,707	-17,149,384	18,961,801	-41,934,300	23,841,768
	-3,379,379	99,302,503	8,700,732	6,440,879	17,610,791	-92,794,701	35,880,825
Taxes							-4,612,098
							20,078,335
Profit After Taxes							19,229,670
							15,802,490
Total Assets							
Segment Assets	52,765,926	198,813,789	58,502,985	363,082,200	217,065,713	51,283,499	941,514,111
	57,468,810	127,031,815	45,022,430	557,827,501	210,129,525	31,998,161	1,029,478,242
Unallocable Asset at HO							-
							-
Total							941,514,111
							1,029,478,242
Total Liabilities							
Segment Liabilities	2,213,233	121,730,615	2,902,841	151,529,925	-	23,727,370	302,103,984
	1,649,000	52,305,518	6,464,976	135,314,010	-	22,195,845	217,929,350



Particulars	Wind Energy Rs.	Trading Rs.	Manufacturing Rs.	Transportation Rs.	Renting of Immovable Properties Rs.	Others Rs.	Total Rs.
Unallocable Liability at HO							-
							-
Total							302,103,984
							<i>217,929,350</i>
Total Cost Incurred during the year to acquire segment assets	9,299	3,843,289	860,588	368,202,795	11,322,263	81,092	384,319,325
	<i>13,750</i>	<i>3,471,661</i>	<i>116,092</i>	<i>436,836,073</i>	<i>11,322,263</i>	<i>2,191,847</i>	<i>453,978,685</i>
Total Cost Incurred during the year to acquire unallocable Asset							-
							-
Segment Depreciation	8,246,593	269,694	328,879	22,478,752	2,235,521	1,720,799	35,334,238
	<i>8,245,672</i>	<i>201,051</i>	<i>307,371</i>	<i>31,075,473</i>	<i>2,235,521</i>	<i>1,664,830</i>	<i>43,729,917</i>
Segment Depreciation (Unallocable Asset)							-
							-
Non-cash expenses other than depreciation	-	3,648	-	720,543	-	-	724,191
	-	-	-	<i>1,182,767</i>	-	-	<i>1,182,767</i>

Notes :

1. The Figures in Italics indicate Previous Years Figure.
2. The company has disclosed business segments as the primary segments which have been identified taking into account the nature of the activities (i.e. Wind Energy, Trading, Manufacturing & Transportation ,Renting of immovable property) the Differing risk & returns the 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 totally to the domestic market.
4. Segment revenue, segment results, segment assets, and segment liabilities include the respective amount identifiable to each of the segment.

**Geographical Segments**

Particulars	Calcutta Division	Ahmedabad Division	Banglore Division	Total Rs.
Revenue				
External Sales:				
Domestic Sales/Income	67,242,482 <i>110,160,232</i>	529,739,409 <i>658,779,460</i>	77,128,617 <i>71,623,372</i>	674,110,509 <i>840,563,064</i>
Export Sales	414,789,465 <i>127,120,854</i>	- -	- -	414,789,465 <i>127,120,854</i>
Total Sales/Income	482,031,947 <i>237,281,086</i>	529,739,409 <i>658,779,460</i>	77,128,617 <i>71,623,372</i>	1,088,899,974 <i>967,683,918</i>
Add: Inter Segment Sales	- -	- -	- -	- -
Total Sales	482,031,947 <i>237,281,086</i>	529,739,409 <i>658,779,460</i>	77,128,617 <i>71,623,372</i>	1,088,899,974 <i>967,683,918</i>
Less: Inter Segment Sales	- -	- -	- -	- -
Total Revenue	482,031,947 <i>237,281,086</i>	529,739,409 <i>658,779,460</i>	77,128,617 <i>71,623,372</i>	1,088,899,974 <i>967,683,918</i>
Total Assets				
Segment Assets	550,470,624 <i>635,896,186</i>	384,800,175 <i>387,439,445</i>	6,243,313 <i>6,142,611</i>	941,594,356 <i>584,207,607</i>
Unallocable Assets	- -	- -	- -	- -
Total Cost Incurred during the year to acquire segment assets	12,034,006 <i>15,427,417</i>	1,551,957 <i>3,284,622</i>	5,340 <i>12,049</i>	13,591,303 <i>18,724,088</i>

Notes :

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

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

Narayanprasad Agarwal
Director

Paresh Thothawala
Proprietor
M.No. 48435

S.K.Verma
Company Secretary

Pawankumar Agarwal
Managing Director

Date:03/09/2011
Place:Ahmedabad

Date:03/09/2011
Place:Ahmedabad



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

BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE

I.	Registration Details		
	Registration No.	0 0 9 9 6 4 5	State Code 2 1
	Balance Sheet Date	3 1 0 3 1 1	
		Date Month Year	
II	Capital raised during the year		(Amount in Rupees)
		Public Issue	Public Right Issue
		0 0 0 0 0 0 N I L	0 0 0 0 0 0 N I L
		Bonus Issue	Private Placement
		0 0 0 0 0 0 N I L	0 0 0 0 0 0 N I L
III	Provision of Mobilization and Deployment of funds		(Amount in Rupees)
		Total Liabilities	Total Assets
		6 4 2 1 5 9 3 6 5	6 4 2 1 5 9 3 6 5
	Sources of Funds	Paid-Up Capital	Reserve & Surplus
		0 4 9 7 7 4 5 0 0	1 0 8 6 4 3 2 9 0
		Secured Loans	Unsecured Loans
		4 1 9 9 4 5 4 5 4	0 3 5 2 7 6 1 1 9
		Deferred Tax	
		0 2 8 5 2 0 0 0 2	
	Application of Funds	Net Fixed Assets	Investments
		3 2 4 6 5 2 5 6 9	0 9 4 4 1 6 6 4 5
		Net Current Assets	Misc. Expenditure
		2 2 1 4 9 1 2 9 1	0 0 0 0 0 0 N I L
		Accumulated losses	
		0 0 0 0 0 0 N I L	
IV	Performance of company		(Amount in Rupees)
		Turnover	Total Expenditure
		1 0 1 4 9 0 2 6 6 9	1 0 6 4 2 4 4 3 6 8
		Profit/Loss before tax	Profit/Loss after tax
		+ - ✓ 0 2 4 6 5 5 6 0 6	+ - ✓ 0 1 8 9 5 7 4 6 2
		Earning Per Share Rs.	Dividend Rate %
		+ - ✓ 0 0 0 0 3 . 8 1	0 0 . 0 0
V	Generic names of three Principal Product/Services of Company		
		ITC Codes	Product Description
		0 0 0 0 0 0 0 0	Transportation Services
	Item Code No.	0 0 0 0 0 0 0 0	Trading in Auto components
		0 0 0 0 0 0 0 0	Wind Energy Generation

On Behalf of The Board
Narayanprasad Agarwal
Director



ATTENDANCE SLIP

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

Full Name of the Shareholder (BLOCK LETTERS)

Folio No. : _____

DP ID No.* : _____

No. of Shares held : _____

I / We hereby record my presence at the 22nd Annual General Meeting of the Company held on Thursday, the 30th September, 2011 at 10.00 a.m. at 4, B. B. D. Bag East), Stephen House, Room No. 5, 1st Floor, Kolkata – 700 001

Signature of the Shareholder -----

**Affix
15 Paise
Revenue
Stamp**

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

FRONTLINE CORPORATION LIMITED

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

PROXY FORM

Folio No. : _____

DP ID No.* : _____

No. of Shares held: _____

I/We-----of-----in the District of -----being a Member/Members of above -----in the District of -----of failing him Shri-----as my/our proxy to vote for me/our behalf at 22nd Annual General Meeting of the Company held on Thursday, the 30th September, 2011 at 10.00 a.m. at 4, B. B. D. Bag East, Stephen House, Room No. 5, 1st Floor, Kolkata – 700 001 or at any adjournment thereof.

As witness my/our hand (s) this -----day of -----, 2010.

Signature -----

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

Book-Post

If undelivered, please return to :

FRONTLINE CORPORATION LIMITED

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