



FRONTLINE CORPORATION LIMITED

25th Annual Report

(2013-2014)

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

Board of Directors:

Mr. Ram Prasad Agarwal	:	Director
Mr. Narayan Prasad Agarwal	:	Director
Mr. Saurabh Jhunjhunwala	:	Director
Mr. Bharat Arora	:	Independent Director (resigned on 25 th August, 2014)
Mr. Virendra Sharma	:	Independent Director
Mr. Jiw Raj Khaitan	:	Independent Director
Mr. Sital Kumar Banerjee	:	Independent Director
Mr. Rahul Chomal	:	Independent Director (appointed w.e.f. 14.08.2014)
Mr. Pawan Kumar Agarwal	:	Managing Director

Company Secretary : Mr. S. K. Verma

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

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

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

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

ORDINARY BUSINESS:

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

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

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

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

SPECIAL BUSINESS

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

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

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

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

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

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

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

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

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

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

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

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

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

By order of the Board of Directors of
Frontline Corporation Limited

Place : Ahmedabad
Date : August 25, 2014

Pawan Kumar Agarwal
Managing Director

NOTES:

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

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

Item No. 6

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

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

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

Item No. 7

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

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

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

Item No. 8

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

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

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

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

Item No. 9,10 & 11

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

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

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

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

By order of the Board of Directors of
Frontline Corporation Limited

Place : Ahmedabad
Date : August 25, 2014

Pawan K umar Agarwal
Managing Director

Directors' Report & Management Discussion and Analysis

To
The Members,
Frontline Corporation Limited

Your Directors have pleasure in presenting their 25th Annual report along with Audited Accounts for the year ended on March 31, 2014.

Financial Performance :		(Rs, in Lacs) Current Year 31-03-2014	Past Year 31-03-2013
Revenue from Operations		4198.46	4394.96
Other Income		404.90	344.39
Finance Charges		558.29	651.45
Depreciation		209.01	220.38
Profit Before Taxation		(125.95)	(490.56)
Provision for Income-Tax	Current Taxes	(104.26)	(256.81)
	Earlier Periods	(7.92)	NIL
Profit /(Loss) after taxation but before exceptional and Extra Ordinary Items		(13.77)	(233.75)
Exceptional & Extra Ordinary Items	3.36	(72.55)	
Profit/ (Loss) for the year	(17.13)	(161.20)	
Profit Brought Forward	694.06	855.26	
Proposed Dividend	NIL	NIL	
Balance Carried to Balance-Sheet	676.93	694.06	

Notes:

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

Dividend:

Due to loss during the year under the review, your Directors do not recommend any dividend for the year.

Review Of Operations:

The year 2013-2014 marked deterioration in the fundamentals of both the global and the Indian economies. The year under review was a challenging one for your company as well. Your Company made a Net Loss of **Rs. 17.13 Lacs against Net Loss of Rs. 161.20 Lacs** in the earlier year.

The company operates in four business segments viz. Transportation, Trading, Generation of wind energy, and renting of immovable properties.

During the year the company has achieved operational income of Rs. 4198.46 Lacs as against Rs. 4394.96 Lacs in the previous year. The company posted Loss before tax of Rs. 125.95 Lacs as against Loss before Tax of Rs. 490.56 Lacs in the previous year. The Company incurred Loss after Tax of Rs. 17.13 Lacs as against Rs. Loss of Rs. 161.20 Lacs in the previous year. A balance of Rs. 676.93 Lacs has been carried forward to Balance Sheet as against Rs. 694.06 Lacs in the previous year.

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.

The composition of the Audit committee and the attendance of each director at these meetings are given below:-

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

The Chairman of the Committee was present at the last annual general meeting to answer shareholders query.

Transfer to Reserve & Surplus

The opening Balance of Reserves and Surplus was Rs. 6.94 Crores. The Board of Directors proposes to transfer Net Loss of Rs. 0.17 Crores to Reserve & Surplus aggregating to Rs. 6.77 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 Company is not engaged in any manufacturing activity and hence the particulars with respect to conservation of energy, technology absorption are either not applicable or such particulars are Nil. The details in respect of foreign exchange earnings and out go are as under:

Particulars	Amount in Foreign Currency	Amount
Total Foreign Exchange earning	Euro 17568 (Previous Year Euro 17472)	Rs. 12,66,958/- (Previous Year Rs. 12,18,752/-)
Total Foreign Exchange outgo	Euro 658.80 (Previous Year EURO 655.20)	Rs. 35,901 (Previous Year Rs 35,535/-)

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

No activities relating to export was undertaken during the year. Due to high volatility in the iron ore market and low demand of iron ore, the Company could not take any steps to explore the foreign market. The Company is awaiting for the appropriate time for price stabilization of iron ore and stability in foreign currency to explore the export of iron ore.

Directors :

Shri Ram 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.

Shri Bharat Arora, Independent Director of the Company resigned from the office of Director on 25th August, 2014 due his pre-occupation in other work. Consequently, he also resigned from the Chairmanship of Audit Committee, Remuneration and Nomination Committee and Stakeholders Committee on the same day and his resignation has been accepted by the Board.

The Board places on record its appreciation for the assistance and guidance provided by Shri Bharat Arora during his tenure as Director of the Company.

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint **Mr. Rahul Chomal** as Independent Directors of the Company up to 5 (five) consecutive years, starting from his date of appointment. **Mr. Rahul Chomal** was appointed by the Board of directors in their meeting held on 14th August, 2014. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from members proposing the appointment of aforesaid Independent Directors.

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.

Further, pursuant to Section 149 of the Companies Act, 2013 & rules made thereunder and Clause 49 of the Listing Agreement, an independent director shall hold office for a term upto five consecutive years on the Board of a company and shall be eligible for re-appointment, for another term of upto five consecutive years on passing of a special resolution by the Company.

Accordingly, your Board hereby proposes to appoint Shri Virendra Sharma, Mr. Jiwraj Khaitan and Mr. Sital Kumar Banerjee for 5 years upto 31st March, 2019.

By order of the Board of Directors of
Frontline Corporation Limited

Place : Ahmedabad
Date : August 25, 2014

Pawan K umar Agarwal
Managing Director

Directors' Responsibility Statement:

The Directors confirm:

Pursuant to Section 217

- 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.

Listing Fees:

The Company has already paid the necessary listing fees for the year 2014 – 2015 to the BSE Limited, Ahmedabad Stock Exchange Limited and The Calcutta Stock Exchange Limited.

Auditors and Auditors' Report:

M/s. Paresh Thothawala & Co., Chartered Accountants, Ahmedabad, Statutory Auditors of the Company holds office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 141 and other applicable provisions, of the Companies Act 2013 and they are not disqualified for such re- appointment under the applicable provisions of the Companies Act, 2013 and rules made thereunder.

Based on the recommendations of the audit Committee, the Board of Directors of the Company proposes the re- appointment of M/s. Paresh Thothawala & Co., Chartered Accountants, as the Statutory Auditors of the Company.

Auditors' observations:

The Auditors in their Report dated 30th May, 2014 have made certain observations on the accounts for the year under review.

In reply to point No. 1, 2 and 3 of Emphasis of Matter raised by the Statutory Auditors of the Company in their Independent Auditors' Report it is stated that the attachment of properties by the Bank is a legal process and the Company is taking all legal steps to protect the property. Further the Company is taking all steps to make the settlement of the matter and the Company is actively undertaking the settlement matter with the Banks. Further the Company is also making all its efforts to repay the debt and to release the property.

In reply to para 4 of the Independent Auditors' Report it is stated that the Company is making all its efforts to strengthen the internal controls over the generation and disposal of scrap. Even though the Company has during the current year implemented the process of strengthening of internal controls over generation and disposal of scrap by maintain the records and putting the required manpower for the same. The Board of Directors of the Company feels that the process of strengthening of internal controls is more costlier than the revenue generated.

In reply to sub Para (a) of Para (ix) of the Independent Auditors' Report it is stated that the Company could not pay VAT on due date on account of liquidity crunch. However, the Company has since then paid VAT on the fixed assets sold during the year.

In reply to Para (xi) of the Independent Auditors' Report it is stated that the Company is facing liquidity and

financial crisis and consequently the Company is unable to pay to its Bankers. The Board of Directors of the Company are making all their efforts to protect legally properties of the Company and to repay the debt to the Bankers at the earliest.

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

The Board of Directors of the Company would further like to state that it has already filed necessary petition before the respective authorities for compounding the matter.

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.

Material Changes and Events occurring after Balance Sheet:

There are no material changes and events occurring after the Balance Sheet date and upto the date of signing of the report, which may have any material impact on the operations of the Company.

Acknowledgement:

The Board of Directors of the Company takes this opportunity to thank the Banks, Financial Institutions, Central and State Government Authorities, regulatory Authorities, Customers, Suppliers, Shareholders and investors at large for their continued support to the Company and look forward to having the same support to the Company and look forward to having the same support in the years to come.

The Board of Directors of the Company also wish to place on record their deep and special appreciation for the unstinting diligence and dedication of the Company's employees.

By order of the Board of Directors of
Frontline Corporation Limited

Place : Ahmedabad
Date : August 25, 2014

Pawan K umar Agarwal
Managing Director

ANNEXURE 'A'
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 Foreign Currency	Amount
Total Foreign Exchange earning	Euro 17568 (Previous Year Euro 17472)	Rs. 12,66,958/- Previous Year Rs. 1,218,752/-
Total Foreign Exchange outgo	USD 658.80 (Previous Year Euro 655.20)	Rs. 35901/- (Previous Year Rs 35535/-)

FORM - A

Disclosure of particulars with respect to Conservation of Energy for the year ended 31.03.2014

A. POWER AND CONSUMPTION

1. ELECTRICITY

	2013-2014	2012-2013
a) Purchased		
- Units (In Lacs)	Nil	Nil
- Total Amount (In Lacs)	Nil	Nil
- Rate (Rs./Units)	Nil	Nil
b) Through Diesel generator		
- Units (In Lacs)	Nil	Nil
- Units per Ltr. Of Diesel Oil	Nil	Nil
- Cost (Rs. /Units)	Nil	Nil

B. CONSUMPTION PER UNIT OF PRODUCTION

Electricity (Units/Mt.)	Units per MT	Units per MT
	Nil	Nil

FORM- B

Form for disclosure of particulars with respect to technology absorption

RESEARCH AND DEVELOPMENT (R&D)

1. Specific Areas in which R&D proposed to be carried out by the Company :
2. Benefits derived :
3. Future plan of action taken:
4. Expenditure on R&D (Rs. In Lacs)
 - a) Capital : NIL
 - b) Recurring : NIL
 - c) Total : ---
 - d) Total R&D Expenditure as a Percentage total turnover : NIL

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1. **Efforts made** : The Company absorbs the knowledge of latest power saving 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.
 - a. **Benefits** : Benefits derived from these efforts include process rationalization. Product, quality improvement an environmental friendly product.
1. **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

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

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

Transportation Sector :

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

Opportunities in Transportation Sector:

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

Strengths of the Company in Transportation Sector:

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

Weakness of the Company in Transportation Sector:

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

Risks in Transportation Sector:

Increase in Diesel costs is a major risk in the transportation Sector. Furthermore increase in overhead costs is also another risk associated with the transportation Sector. Further customers do not pay in proportion to the increase in the input prices.

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

Performance of the Company in Transportation Sector:

During the year under review, your Company continued to get / renewed transportation Contracts from valued customers to cater needs of its valued clients. The Revenue from Transport Operations marginally increased from Rs. 11.86 Crores in the previous year to Rs 11.89 Crores in the current year registering an increase by 00.01%

Trading of Automotive Parts

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

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

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

Opportunities of the Company in Automotive Parts:

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

Strengths of the Company in Automotive Parts:

Your Company is acting as the Main Distributor for Auto Components manufactured by "BOSCH Ltd." for the Autom-

tive Aftermarket and supplies such spares to Authorised Service Centers of Bosch as well as to retail outlets and neutral garages and workshops.

BOSCH is the global leader in Automotive Components and "BOSCH" brand products come as OE fitments in all ranges of vehicles worldwide. With newer models of vehicles being introduced in the market every year, the business has very good potential in future.

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

Risks of the Company in Automotive Parts:

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

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

Performance of the Company in Automotive Parts:

The Revenue from trading Operations of automotive parts of "BOSCH" increased to Rs. 20.00 Crores in comparison to Rs. 19.39 Crores in the previous year registering an increase of 3.15%.

The Revenue from trading Operations of automotive parts of "Mahindra & Mahindra Ltd" decreased to Rs. 6.39 Crores in comparison to Rs. 8.34 Crores in the previous year.

Wind Energy Generation:

Industry Scenario & Out Look:

India faces acute power shortage. There is a vast scope in the Power Sector. Power Generation through wind energy is increasing day by day with the new establishment of new wind mills. Government Policies, Tax Incentives etc. play an important role for encouraging the investments in the Wind Energy.

Opportunities in Wind Energy Sector:

Our Country faces acute power shortage. Thermal and Coal Power projects involve pollution problems and hence Wind Energy is one of the cleanest sources of energy.

Further higher costs of coal and shortage of coal is also another factor attracting towards Wind energy.

During the year under review, the Company has explored the opportunity to maximize its revenue by entering into power purchase agreements with group captive consumers.

Strengths of the Company in Wind Energy Sector:

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

Weakness of the Company in Wind Energy Sector:

Increased investment in the land and Wind mill is one of the major hurdle of the Company in expanding the Wind energy sector. Further due to change in technology the Company needs to install the modern wind mills.

Risks in Wind Energy Sector:

The generation of Wind Energy depends upon the atmosphere and the blow of the wind. Government policy also plays an important role. Government Policy plays an important role in determining the price of wind energy. Acquisition of land is getting complex day by day. Further change in technology is also another risk associated with the Sector.

Return over investment in Wind Energy Sector compared to other sectors of energy is lower.

Performance of the Company in Wind Energy Sector:

The Revenue from Operations of the division increased to Rs. 1.44 Crores in comparison to Rs. 1.22 Crores in the previous year registering an increase of 18.03%.

Renting of immovable properties:

Industry Scenario & Outlook :

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

Opportunities of the Company in Real Sector:

High Population growth and rapid expansion of the urban area, resulting in higher demand for real estate.

Further the company expects that in the years to come the economy will improve and will result in more demand which will also lead to increase in rental income and rental business.

Weakness of the Company in Real Sector:

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

Risks of the Company in Real Sector:

High Investment in the Real Sector is one of the major risks that the Company foresee in the real estate.

Further rentals from real estate will depend upon the growth of the economy.

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

Performance of the Company in Real Sector:

The Revenue from Operations of the division decreased to Rs. 1.96 Crores in comparison to Rs. 2.10 in the previous year registering a decrease of 6.67%.

Internal Control Systems and their adequacy:

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

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

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

Human Relations:

Relations with the employees of the Company at various levels remained harmonial during the year under the review. The Company is making its best efforts to retain and attract talented employees. During the year under the review, the Company has complied with all legislative provisions of labour laws. As at 31st March, 2014 the Company has around 80 employees

Cautionary Statements:

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

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

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

The Corporate Governance & Management Discussion & Analysis (MDA) Report forms part of the Annual Report. The Certificate from the Statutory Auditors of the Company certifying compliance of the conditions of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement is annexed to the report on Corporate Governance.

Annexure - A

REPORT ON CORPORATE GOVERNANCE

1. Company Philosophy on Code of Governance:

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	Non Executive Director and Promoter	623622	2	Yes	3	-	-
Shri Narayan Prasad Agarwal	Non Executive Director and Promoter	184700	2	Yes	3	-	-
Shri Pawan Kumar Agarwal	Managing Director - Executive and Promoter	250266	11	Yes	3	-	-
Shri Saurabh Jhunjhunwala	Non Executive	105440	2	Yes	2	3	-
Shri Virendra Sharma	Independent	-	11	Yes	-	3	-
Shri Bharat Arora	Independent Director	-	11	Yes	-	3	3
Shri Jiw Raj Khaitan	Independent Director	-	2	Yes	-	3	3
Shri Sital Kumar Banerjee	Independent Director	-	2	Yes	-	3	3

Shri Ram Prasad Agarwal and Shri Saurabh Jhunjunwala, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment. The information required to be furnished in terms of Clause 49 of the Listing Agreement is as under:

Name of the Director	Shri Ram Prasad Agarwal	Shri Saurabh Jhunjunwala
Date of Birth	31.12.1954	11.01.1976
Date of joining the Board of Director of the Company	04.12.1989	01.12.1999
Educational qualification	B.Com	B.Com
Number of Shares held in the Company	623622	105440
Directorship in other Companies and committees	Fairdeal Supplies Ltd., Frontline Industries Limited Falgun Export Private Limited Prima Financial Services Limited	Fairdeal Supplies Ltd. Falgun Export Pvt. Ltd.
Specific Functional Areas	aged about 60 years, is a Promoter Director of the Company since 04.12.1989. He is a Commerce Graduate from St. Xavier's College, Calcutta and has 32 years of rich experience in Transportation and Trading of Coal & Coke.	aged about 38 years is a Commerce Graduate having about 15 years of rich experience. He is looking after the day-to-day management. He has been appointed as Additional Director of the Company on 01.12.1999 and later was appointed as Director of the Company by the members of the Company at their 10 th Annual General Meeting held on 30.09.1999. He is member of Audit Committee, Remuneration Committee and Shareholders'/ Investors' Grievance Committee since 22.03.2003

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:

Eleven Board Meetings were held during the financial year 2013 -2014. The dates on which the meetings were held are given below:-

1.04.2013	15.04.2013	30.05.2013	31.05.2013
5.08.2013	14.08.2013	30.09.2013	14.11.2013
8.02.2014	14.02.2014	20.03.2014	-

2 Code of Conduct:

Code of Conduct for Board members and Senior Managers 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. Further the Code of conduct is also displayed on Company's website i.e. www.frontlinecorporation.org

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

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

3 Board Committees:

● **Audit Committee**

(i) Qualified & Independent Audit Committee:

Pursuant to the provision of Section 177 of the Companies Act, 2013 and in accordance with the Clause 49 of the Listing Agreement your Company has constituted an audit committee. The power of the audit committee, terms of reference and role of the audit committee are in conformity with the provision of Section 177 of the Companies Act, 1956 and 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 Meeting 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		5

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

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

The Minutes of the Audit Committee are placed before the next Board Meeting.

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

During the year under the review, the audit committee met 5 times during the year 2013—2014 on 30.05.2012, 31.05.2013 14.08.2012, 14.11.2013 and 14.02.2013

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

● **Remuneration Committee:**

The Remuneration Committee was formed by the Board of Directors on 30th January, 2003 to ensure the recommendation of Remuneration of Executive Directors. During the year under review, the Committee met one time on 30.05.2013. The following are the members and their attendance at Committee Meetings:-

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

The Company has appointed a Remuneration Committee. The re-appointment of the Managing Director with 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 4 times on 30.05.2013, 14.08.2013, 12.11.2013 and 14.02.2014. The following are the members and their attendance at Committee Meetings:-

#	Name of Director	Status	Category of Directorship	No. of Meetings held	No. of Meeting attended
1	Shri Bharat Arora	Chairman	Independent Director	4	4
2	Shri Virendra Sharma	Member	Independent Director	4	4
3	Shri Saurabh Jhunjhunwala	Member	Non-Executive Director	4	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 31.03.2014. 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 2013-2014.

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.

During the year 2013 – 14 the Company has not paid any remuneration to any Director other than the Managing Director.

The details of remuneration paid to the Executive Directors are as under:

Name of the Director	Fixed Salary in Rs.	Perquisites	Total in Rs.
Shri Pawankumar Agarwal	50,000/- per month	Perquisites in addition to the salary restricted an amount the value of which shall not exceed Rs.50,000/- per month.	Rs. 6,00,000/-

Service Contract Period:

The Company has appointed Mr. Pawankumar Agarwal as a Managing Director for a period of five years with effect from 21.01.2010.

Notice Period:

If at any time Mr. Pawankumar Agarwal ceases to be a Director of the Company, he shall also cease to be a Managing Director. Further as per the contract the agreement with respect to the Managing Director may be terminated either by

the Company or Pawankumar Agarwal by giving six months' notice.

Severance Fees:

The Company shall pay six months remuneration for severance in accordance with the agreement.

f. Disclosure of Relationship amongst Directors Interse :

Shri Pawankumar Agarwal, Shri Ramprasad Agarwal and Shri Narayan Prasad Agarwal are brothers.

g. 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.

h. 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.

i. 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.

j. 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.

k. 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.

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

m. 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.

6 Shareholders Information :

General Body Meetings:

Current AGM :

Date, time and venue : 30th September, 2014 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
24	30.09.2013	10.a.m.	4, B. B. D. Bag (East), Room No. 5 Stephen House, 1st Floor, Kolkata - 700 001	Nil
23	29.09.2012	10.a.m.	4, B. B. D. Bag (East), Room No. 5 Stephen House, 1st Floor, Kolkata - 700 001	Nil
22	30.09.2011	10.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

Financial Year	:	1 st April, 2014 to 31 st March, 2015
First Quarter ended	:	30 th June, 2014
Half year ended	:	30 th September, 2014
AGM for the year 2013-2014	:	30 th September, 2014
Date of the Book Closure	:	Tuesday, 23rd September, 2014 to Tuesday, 30th September, 2014 (both days inclusive)
Listing on Stock Exchange	:	The Calcutta Stock Exchange Association Limited BSE Limited Ahmedabad Stock Exchange Limited
Stock Code	:	CSE: F 057BSE : 532042ASE : 17661/ FRONTLINENET
Plant Locations	:	Not Applicable
Dividend Payment Date	:	Not Applicable
Any presentation made to the institutional investor	:	No
Is half yearly annual reports send to the Shareholders	:	No
Auditors	:	M/s. Paresh Thothawala & Co., Chartered Accountants
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 Newspapers and Western Times in English. The above Results are also posted at its website, www.frontlinecorporation.org

9 Market Price Data

Your Company had made all compliances as required by BSE Limited for Revocation of Suspension of Trading of securities on their Stock Exchange. Besides above, there was no instance of Non-compliance of any matter related to the capital markets during the last three years.

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

10 Categorywise Distribution of Shareholdings as on 31.03.2014

Status Description	Physical.		N S D L		C D S L		Total	
	Holders	Holding	Holders	Holding	Holders	Holding	Holders	Holding
Associated Companies	0	0	2	197200	0	0	2	197200
Domestic Companies	6	22100	8	287472	5	20579	19	330151
Individuals	266	864822	177	590832	102	831300	545	2286954
NRI REP	0	0	2	1327	0	0	2	1327
Promoters	0	0	21	2184368	0	0	21	2184368
TOTAL	272	886922	210	3261199	107	851879	589	5000000

**Distribution of Shareholding as on
31st March, 2014**

Category Code	Category of Shareholders	Number of Shareholders	Total Number of shares	Number of shares held in dematerialized From	Total Shareholding as a percentage of total number of shares		Shares Pledged of otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(IV) x100
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	21	2184368	2184368	43.69	43.69	0	0.00
(b)	Bodies Corporate	2	197200	197200	3.94	3.94	0	0.00
	Sub Total(A)(1)	23	2381568	2381568	47.63	47.63	0	0.00
2	Foreign	NIL	NIL	NIL	NIL	NIL	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	23	2381568	2381568	47.63	47.63	0	0.00

Categories of Shareholders (as on 31.03.2014)

Statement Showing Shareholding Pattern

Category Code	Category of Shareholders	Number of Shareholders	Total Number of shares	Number of shares held in dematerialized From	Total Shareholding as a percentage of total number of shares		Shares Pledged of otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(IV) x100
(B)	Public Shareholding							
(1)	Non - Institutions							
(a)	Bodies Corporate	19	330151	308051	6.60	6.60		
(b)	Individuals							
i)	Individual Shareholders holding nominal share capital up to Rs.1 Lakh	527	570416	217016	11.41	11.41		
ii)	Individual Shareholders holding nominal share capital in excess of Rs.1 Lakh	18	1716538	1205116	34.33	34.33		
(c)	Others							
i)	Employees							
ii)	Non Resident Repatriates	2	1327	1327	0.03	0.03		
	SUB TOTAL (B)(2)	566	2618432	1731510	52.37	52.37		
	TOTAL Public Shareholding (B) = (1) + (2)	566	2618432	1731510	52.37	52.37		
	TOTAL (A)+(B)	589	5000000	4113078	100.00	100.00		
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
	GRAND TOTAL (A) + (B) + (C)	589	5000000	4113078		100.00	0	0.00

Sl. No.	Category (Shares)	Electronic			Physical			Total		
		Holders	Shares	% to total shares	Holders	Shares	% to total shares	Holders	Shares	% to shares
1	1-500	194	32732	0.65	114	46800	0.94	308	79532	1.59
2	501-1000	39	34799	0.70	70	67200	1.34	109	101999	2.04
3	1001-2000	16	22571	0.45	6	8500	0.17	22	31071	0.62
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	7	33729	0.67	10	47100	0.94	17	80829	1.61
7	5001-10000	10	72021	1.44	6	50600	1.01	16	122621	2.45
8	10001-20000	8	119796	2.40	3	48200	0.96	11	167996	3.36
9	Above 20000	23	3746484	74.93	3	463222	9.26	26	4209706	84.20
	TOTAL	317	4113078	82.26	272	886922	17.73	589	5000000	100

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.

Contact Person: Mr. Paresh Dave
416-420, 4th Floor, Devnandan Mall,
Opp. Sanyas Ashram, Ellisbridge,
Ahmedabad - 380 006,
Phone No.: 079 26582381 to 84
Fax No. 079 26582385
Email id : paresh.dave@shareproservices.com

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 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 82.26 % of the Equity Capital of the Company has been dematerialized as on 31.03.2014 as follows:

Details of Demat share Holding as on 31/03/2014

Particulars	No. of Shares	% of Capital
National Securities Depository Ltd.	3261199	65.22
Central Depository Services (India) Ltd	851879	17.04
Total Dematerialized	4113078	82.26
Physical	886922	17.74
Grand Total	5000000	100

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

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

Declaration by the Managing Director Under Clause 49 (D) of the Listing Agreement regarding adherence to the Code of Conduct

As accordance with the Clause 49 sub-clause of the Listing Agreement with the Stock Exchange, I further confirm that all the board members and senior management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them for the year ended 31st march, 2014.

FRONTLINE CORPORATION LIMITED

Date : May 30, 2014
Place : Ahmedabad

PAWANKUMAR AGARWAL
MANAGING DIRECTOR

C.E.O. CERTIFICATION

(Issue in accordance with provisions of Clause 49 of the Listing Agreement)

- (a) I have reviewed the financial statements, read with the cash flow statement of Frontline Corporation Ltd. For the year ended March 31, 2014 and that to the best of our knowledge and belief, I state that :
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.
- (c) I 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, and steps taken or propose to be taken for rectifying these deficiencies.
- (d) I have indicated to the auditors and the Audit Committee :
- (i) Significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - (iii) That there were no instances of significant fraud of which I have become aware.

FRONTLINE CORPORATION LIMITED

Date : May 30, 2014
Place : Ahmedabad

PAWANKUMAR AGARWAL
MANAGING DIRECTOR

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Frontline Corporation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Frontline Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting Standards notified under the Companies Act, 1956(the Act) read with the General Circular 15/2013 dated 13th September,2013 of Ministry of Corporate Affairs in respect of Section 133 of the Companies Act,2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the **Loss** for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter:

We draw attention to

1. **Note no. 10.2 regarding properties given as collateral security to UCO Bank to secure various credit facilities enjoyed by M/s Fairdeal Supplies Limited (Group Company) and these properties have been symbolically possessed by UCO Bank.**
2. **Note no. 10.3 regarding symbolic possession of leased property situated at Gandhinagar taken by Punjab and Sind Bank toward recovery of amount due.**

3. Note No. 14.1 regarding physical possession of property situated at Kolkata taken by Punjab and Sind Bank and the bank in the process of auction of said property.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For, Paresh Thothawala & Co
Chartered Accountants
Firm Registration No: 114777W

Place: Ahmedabad
Date: 30.05.2014

Paresh Thothawala
Partner
Membership No. 048435

Annexure to Independent Auditor's Report

(Referred to in paragraph 1 Under the Heading of "Report on other Legal & Regulatory Requirements" of our report of even date)

- (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 2014.
 - (b) Management of the company has carried physical verification of assets during the financial year 2013-14 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 Stock in trade have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable. 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 in terms of quantity referred to in Para (ii) (a) above as compared to book records. The shortages and excesses noticed on physical verification as mentioned in Para (ii) (a) above are not abnormal and material except as stated according to the nature of the business of the company.
- (iii) In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
- (a) The Company had taken loans from Three Party. The Maximum amount involved during the year was Rs. 82.03 Lacs and year-end balance of loans taken from such parties was Rs. 60.21 Lacs.
 - (b) In our opinion, the rate of interest where ever applicable and other terms and conditions, secured or unsecured 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 where ever applicable.
 - (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**
- (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/expenses amounting to Rs. 777.35 Lac 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.

- (vi) In our opinion and according to the information and explanation provided to us 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) According to the information and explanation provided to us, the Central Government has not prescribed for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the company.
- (ix) In respect of statutory dues:

- (a) The Company is generally 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 except service tax and tds were not deposited regularly. It is informed by the company that the ESI is not applicable to the Company. **The company has not provided and deposited vat on fixed assets sold during the year.**
- (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, 2014 for a period of more than six months from the date they become payable except for the dues details given below which was outstanding for a period of more than six months from the date they became due for payment as at the last day of Financial Year:-

Particulars	Amount
Service Tax	2,88,039/-

- (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	10,38,853	A.Y. 2006-2007	ITAT
Income Tax Act, 1961	Income Tax	5,03,879	A.Y. 2008-2009	ITAT
Income Tax Act, 1961	Income Tax	42,10,480 (Section 156)	A.Y. 2010-2011	CIT (A)
Guj. Value Added Tax 2003	VAT / CST	1,12,186	F.Y. 2009-10	Commissioner of Commercial Tax

- (x) The Company does not have accumulated losses and cash loss in the current financial year covered by our audit however the company has incurred cash loss of Rs. 1,97,63,119/- in immediately preceding financial year.
- (xi) **The Company has defaulted in repayment of principal amounting to Rs. 2939.85 Lacs and interest amounting to Rs 1054.06 Lacs in respect of various loans taken from banks and financial institutions. Particulars of amount and period of defaults are as under:**

Lender Concerned	Period of Default	Amount of Default (Rs. In Lac)
Shri Ram Finance Ltd(Including Interest of Rs 19.94 Lac)	48 Months	53.27
Punjab and Sind Bank towards Principal	24 Months	2906.52
Punjab and Sind Bank towards Interest	24 Months	1034.12
Total		3993.91

- (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, prejudicial to the interest of the Company as the approval of Central government under section 295 of Companies Act, 1956 for Corporate Guarantee given to secure various credit facilities amounting to Rs. 318 Crore to M/s Fairdeal Supplies Limited Group Company not obtained.*
- (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 except loan given to Gateway Commodities Ltd. 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
Partner
Membership No.48435

Ahmedabad, May 30, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	NOTES	AS AT 31/03/2014 Amount in Rs.	AS AT 31/03/2013 Amount in Rs.
<u>EQUITY AND LIABILITIES</u>			
<u>SHAREHOLDER'S FUNDS</u>			
Share Capital	"2"	49,774,500	49,774,500
Reserves And Surplus	"3"	67,693,119	69,406,319
<u>NON CURRENT LIABILITIES</u>			
Long Term Borrowings	"4"	7,682,463	29,989,362
Other Long Term Liabilities	"5"	7,518,929	7,452,929
<u>CURRENT LIABILITIES</u>			
Short Term Borrowings	"6"	366,003,457	371,157,354
Trade Payables	"7"	162,524,495	147,061,458
Other Current Liabilities	"8"	73,434,591	90,447,347
Short Term Provisions	"9"	1,703,917	1,951,112
TOTAL :		736,335,472	767,240,381
<u>ASSETS</u>			
<u>NON CURRENT ASSETS</u>			
Fixed Assets			
Tangible Assets	"10"	267,392,967	287,411,952
Intangible Assets	"10"	26,485	21,356
Capital Work In Progress	"10"	1,992,421	1,959,820
Non Current Investments	"11"	100,000	8,728,626
Deferred Tax Assets (Net)	"12"	11,343,820	917,305
Long Term Loans & Advances	"13"	112,752,491	143,810,739
<u>CURRENT ASSETS</u>			
Trade Investments	"14"	69,461,889	69,461,889
Inventories	"15"	113,228,939	86,425,995
Trade Receivable	"16"	86,030,468	101,102,852
Cash & Cash Equivalent	"17"	12,996,516	11,508,357
Short Term Loans and Advances	"18"	51,803,336	46,424,681
Other Current Assets	"19"	9,206,139	9,466,808
TOTAL :		736,335,472	767,240,381

Significant Accounting Policies

"1 to 35"

Notes on Financial Statements

As Per our Report of Even Date

On Behalf of Board

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

Narayanprasad Agarwal
Director

Sd/-
Paresh K. Thothawala
Partner
M.No. 48435
Date : 30/05/2014
Place : Ahmedabad

S.K.Verma
Company Secretary

Pawankumar Agarwal
Managing Director

Date : 30/05/2014
Place : Ahmedabad

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31 ST MARCH, 2014

PARTICULARS	NOTES	Year Ended 31/03/2014 Amount in Rs.	Year Ended 31/03/2013 Amount in Rs.
<u>INCOME</u>			
Revenue from Operations	"20"	419,846,247	439,495,687
Other Income	"21"	40,490,124	32,873,984
		460,336,372	472,369,671
<u>EXPENDITURE</u>			
Cost of Material Consumed	"22"	-	-
Purchase of Stock in Trade	"23"	272,045,773	264,626,118
Change in Inventories of Finished Goods & Stock in Trade	"24"	(26,806,431)	32,847,072
Employee Benefits Expenses	"25"	19,991,001	17,508,940
Financial Charges	"26"	55,829,099	65,145,435
Depreciation	"10"	20,900,928	22,038,057
Other Expenses	"27"	130,971,411	119,260,252
		472,931,781	521,425,873
PROFIT/(LOSS) BEFORE TAX & EXCEPTIONAL AND EXTRA ORDINARY ITEMS		(12,595,409)	(49,056,202)
Provision for Current Taxes	-	-	
Provision for Deferred Taxes	"28"	(10,426,515)	(25,681,012)
Earlier Periods			
Income Tax		(791,596)	-
PROFIT/(LOSS) AFTER TAX BUT BEFORE EXCEPTIONAL AND EXTRA ORDINARY ITEMS		(1,377,298)	(23,375,189)
Exceptional & Extra Ordinary Items	"29"	335901	(7,255,025)
PROFIT/(LOSS) FOR THE YEAR		(1,713,200)	(16,120,164)
Basic/Dilluted Earning/(Loss) Per Share(Rs.)		(0.34)	(3.24)

Significant Accounting Policies

"1 to 35"

Notes on Financial Statements

As Per our Report of Even Date

On Behalf of Board

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

Narayanprasad Agarwal
Director

Sd/-
Paresh K. Thothawala
Partner
M.No. 48435
Date : 30/05/2014
Place : Ahmedabad

S.K.Verma
Company Secretary

Pawankumar Agarwal
Managing Director

Date : 30/05/2014
Place : Ahmedabad

CASH FLOW STATEMENT FOR THE PERIOD FROM APRIL, 2011 TO MARCH, 2014

Particulars	For the year ended	
	31st March, 2014	31st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	(12,595,409)	(49,056,202)
Adjusted for		
Depreciation	20,900,928	22,038,057
Interest Income	(18,202,812)	(22,815,416)
Interest Expenses	55,829,099	65,145,435
Provisions	-	314,000
(Profit) / Loss on sale of Investments	(20,496,374)	(8,004,714)
Prior Period Adjustment of Defined Benefit Obligation	-	-
	38,030,842	56,677,361
Operating Profit Before Working Capital Changes	25,435,432	7,621,160
Adjusted for		
Trade & Other Receivables	14,835,391	93,985,158
Stock in Hand	(26,802,944)	32,864,083
Trade Payable, Other Current Liab. & Provision	6,659,993	54,271,610
	(5,307,561)	181,120,851
Cash Generated from Operations	20,127,872	188,742,010
Direct Taxes Paid	4,089,397	4,366,955
Cash Flow Before Extra-ordinary Items	16,038,475	184,375,056
Extra-ordinary Items:		
Compensation		
Prior period adjustments	651,622	(3,561,384)
Cash Flow from Operating Activities	15,386,853	187,936,439
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,534,854)	(5,515,529)
Disposal of Fixed Assets	963,500	4,480,811
Increase in Capital Work in Progress	(32,601)	(22,115)
Movement in Loans & Advances	31,058,248	(84,469,181)
Interest Received	18,202,812	22,815,416
Investment in Fixed Deposits	(1,212,955)	(1,151,363)
Investment during the year	29,124,999	24,149,127
Net Cash from Investing Activities	76,569,149	(39,712,834)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	-	-
Proceeds from Long Term Borrowing	-	-
Proceeds from Working Capital Limit	(4,342,068)	(89,179,783)
Repayment of Long Term Borrowing	(14,499,806)	(18,266,030)
Movement in Unsecured Loans	(17,009,825)	1,437,912
Interest Received	(55,829,099)	(65,145,435)
Dividend & Corporate Dividend Tax Paid	-	(40,250)
Net Cash from Financing Activities	(91,680,798)	(171,193,586)
Net Cash Flows During the Year (A+B+C)	275,204	(22,969,981)
Opening Balance of Cash and Cash Equivalents	10,356,994	33,326,975
Closing Balance of Cash and Cash Equivalents	10,632,198	10,356,994

Notes:

1. The 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 31.03.2014	As at 31.03.2013
Cash in hand	6,817,981	6,057,687
Balances with banks:-		
- In Current Accounts	2,512,854	2,024,307
- In Fixed Deposits	1,301,363	2,275,000
	<u>10,632,198</u>	<u>10,356,994</u>

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

On Behalf of Board
Narayanprasad Agarwal
Director

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

S.K.Verma
Company Secretary

Pawankumar Agarwal
Managing Director

Date : 30/05/2014
Place : Ahmedabad

Date : 30/05/2014
Place : Ahmedabad

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

General Information

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

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

The company follows accrual method of accounting and the Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the Relevant Provisions of The Companies Act, 1956.

All assets and liabilities have been classified as current or non – current as per Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

1.2 Use of Estimate:

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

1.3 Inventory Valuation:

(a) Trading Activities:

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

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

1.4 Fixed Assets and Depreciation:

Tangible Fixed Assets:

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

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

Depreciation on Tangible:

Depreciation 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.

Intangible Assets and Amortisation:

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

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

Intangible Asset	Estimated Useful Life (Years)
Softwares	3 years

Loose Tools:

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

1.5 Impairment of Assets:

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

1.6 Borrowing Cost:

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustment to interest cost) incurred by the company in connection with the borrowing of fund. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as a part of the cost of such asset. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All others borrowing cost are charged to the statement of profit and loss.

1.7 Leases:

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

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

1.8 Revenue Recognition:

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

- (a) In respect of Transportation operations, revenue is recognised when the related service performed. Revenue in respect of contractual transport business is recognised in proportion to the value of work completed.
- (b) In respect of Wind Energy Generation, revenue is recognised on the basis of units generated and billed. Unbilled units are allocated on pro-rata basis based on Billing Cycle.

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

Other Income

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

1.9 Investments:

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

1.10 Foreign Currency Transactions:

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

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

1.11 Accounting for employee benefits:

A. Post Retirement Benefits:

- (a) Defined Contribution Plan

As per applicable laws the eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and company make monthly contribution at specified percentage of the covered employee salary. The contributions as specified under the law are paid to the respective provident fund authorities as specified by law as per the scheme framed under the governing laws.

- (b) Defined Benefit Plan

The company has not formulated any specific terms of employment providing for specific requirement benefits. However as per applicable laws, the company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees at retirement, death/disablement while in employment or termination of employment, of an amount equivalent to 15 days salary with reference to the number of completed year of service and last drawn salary. The Company has taken a Group Gratuity Scheme with Life Insurance Corporation of India covering all eligible employees. The liability in respect of Gratuity is recognised in accordance with Project Unit Credit Method.

B. Other Employee Benefits:

Short Term Benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in profit & Loss Account of the year in which related service is rendered.

1.12 Taxes on Income:

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

Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting incomes that originate in one period and is capable of reversal in one or more subsequent periods.

- (b) Deferred tax is measured based on the tax rate and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against such deferred tax assets can be realised.

1.13 Cash & Cash Equivalents:

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

1.14 Provision:

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

1.15 Contingent Liabilities:

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

1.16 Inter-divisional Transfers:

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

NOTES FORMING PART OF THE BALANCE SHEET

Note 2: Share Capital

PARTICULARS	31/03/2014	31/03/2013
<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 and Paid up</u>		
50,00,000 Equity Shares (P.Y. 50,00,000 Equity Shares) of RS.10/-each	50,000,000	50,000,000
Less : Calls In Arrear	225,500	225,500
	49,774,500	49,774,500

2.1 The details of Shareholders holding more than 5% Shares

Name of the Share Holder	No of Shares	As at 31st March 2014		As at 31st March 2013	
		% held	No of Shares	% held	No of Shares
Ram Prasad Agarwal	623622	12.47	783622	15.67	783622
Narayan Prasad Agarwal	184700	3.69	684700	13.69	684700
Pawan Kumar Agarwal	250266	5.01	622266	12.45	622266
Saurabh Jhunjhunwala	105440	2.11	385440	7.71	385440
Rewa Devi Agarwal	251400	5.03	251400	5.03	251400
Chinniyam C	380000	7.60	0	0.00	0
Ramalakshmi Rotar Spinning and Exporting Company Pvt Ltd	280000	5.60	0	0.00	0
S Balaji	280000	5.60	0	0.00	0
R Thangavelu	279000	5.58	0	0.00	0

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

Particulars	As at 31st March 2014 No. of Shares	As at 31st March 2013 No. of Shares
Equity Shares at the beginning of the year	5,000,000	5,000,000
Add : Shares issued	-	-
Equity Shares at the end of the year	5,000,000	5,000,000

2.3 Terms/Rights attached to Equity Shares

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

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

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

Note 3 : Reserves & Surplus

PARTICULARS	31/03/2014	31/03/2013
Surplus : Opening Balance	69,406,319	85,526,483
Add: Profit/(Loss) transferred from Profit & Loss for the year	(1,713,200)	(16,120,164)
Less: Transferred to Reserves	-	-
	<u>67,693,119</u>	<u>69,406,319</u>

Note 4 : Long Term Borrowing

PARTICULARS	31/03/2014	31/03/2013
Secured		
Term Loans from Banks	-	5,877,803
Term Loans -Others	-	165,099
	-	60,42,902
Unsecured		
From Body Corporate		
- Related Parties	1,864,538	1,724,827
- Others	5,817,925	21,946,632
From Directors	-	275,000
	<u>7,682,463</u>	<u>23,946,459</u>
TOTAL LONG TERM BORROWING	<u>7,682,463</u>	<u>29,989,362</u>

Particulars of Continuing Default

Term Loan from Others

Period of Default (in Months)	48	36
Amount	5,294,540	4,125,000

Term Loan (Secured) from Bank of Baroda secured against Hypothecation of 2 Wind Mill of the Company and further secured by way of equitable mortgage of some of property of the company and personal guarantee of some of directors of the company. The term loan carries interest rate @ 16.5% p.a. and The Loan is repayable in is repayable in 36 Monthly Installment of Rs. 5,10,773/- each along with interest. (Current Year - Balance Outstanding - NIL)

Term Loans -others @ 12% rate of interest 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. The Loan is repayable in 35 Equal monthly installment of Rs. 2,25,003 /-.

The terms of repayment not yet finalized for Unsecured Loan from Body Corporate, Related Parties and Others. Rate of Interest is varying between 9% to 9.5% per annum.

Note 5: Other Long Term Liability

PARTICULARS	31/03/2014	31/03/2013
Trade Payable	-	-
Others	-	-
Security Deposit and Trade advances	7,518,929	7,452,929
	7,518,929	7,452,929

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

Note 6: Short Term Borrowings

PARTICULARS	31/03/2014	31/03/2013
Secured		
Working Capital Loans from Banks payable on demand	361,846,334	366,188,402
Unsecured		
Loans & Advances from Related Parties	4,157,123	4,968,952
	366,003,457	371,157,354

- 6.1 Working Capital Facilities are secured by hypothecation of inventories, Book Debts and commercial vehicles of the company as well as by way of mortgage of some of the property of the company. The Bank is also holding personal guarantee of some of the Directors of the company as well as Corporate Guarantee of other group Companies.
- 6.2 Unsecured Loan taken from Related Parties at the rate of Interest of 9% per annum.
- 6.3 Working Capital Loans from bank includes Rs 1467.04 Lac against Cash Credit Limit and Rs. 2000.00 Lac against Export Packing Credit Limit from Punjab and Sind Bank has been slipped to Non Performing Assets with effect from 31-03-2012. The company has also defaulted in interest payable on said loan amounting to Rs 47359660/- for the period from 01/04/2013 to 31/03/2014.

Name of Bank	Nature of Account	Period of Interest	Amount of Interest
Punjab & Sind Bank	Cash Credit Account	1/4/2013-31/03/2014	2,48,59,660
Punjab & Sind Bank*	Export Packing Credit Account	1/4/2013-31/03/2014	2,25,00,000
	Total		4,73,59,660

*As per guidelines issued by Reserve Bank of India Interest @ 18.5% per annum should be provisioned on Export packing Credit loan, however the above amount is calculated @ 11.25% per annum.

Note 7: Trade Payables

PARTICULARS	31/03/2014	31/03/2013
Micro, Small & Medium Enterprises	-	-
Others	162,524,495	147,061,458
	162,524,495	147,061,458

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

Note 8: Other Current Liabilities

PARTICULARS	31/03/2014	31/03/2013
Current Maturities of Long Term Debts (Refer Note No 4)	3,682,204	12,139,111
Unclaimed Dividend	-	-
Creditors for Capital Expenditure	-	16,814
Other Payables*	69,752,387	78,291,422
	73,434,591	90,447,347

*Other Payables includes Statutory Dues and advance from Customers.

Note 9: Short Term Provisions

PARTICULARS	31/03/2014	31/03/2013
Provision for Employee Benefits	1,703,917	1,951,112
Other Provisions	-	-
	1,703,917	1,951,112

"Note 10"
FRONTLINE CORPORATION LTD.
CALCULATION OF DEPRECIATION FOR 2013-2014
NOTE- "10" FIXED ASSETS

Sr No.	Particulars	GROSS BLOCK						Depreciation				NET BLOCK			
		As On 01/04/2013	Additions	Deletions/ Adjustments	As on 31/03/2014	As on 01/04/2014	For the Year	Deletions	As on 31/03/2014	As on 31/03/2014	As on 31/03/2014	As on 31/03/2014	As on 31/03/2013		
(A)	Intangible Asset														
	SOFTWARE	259,579.00	24,225.00	-	283,804	238,224.56	19,095.56	-	257,320	26,484	21,356				
	TOTAL (A)	259,579	24,225	-	283,804	238,225	19,096	-	257,320	26,484	21,356				
(B)	Tangible Asset														
I	LAND	101,678,919	66,736	-	101,745,655	-	-	-	-	101,745,655	101,678,919				
II	BUILDING	146,750,572	-	448,595	146,301,977	17,713,288	2,387,160	84,698	20,015,750	126,286,227	129,037,283				
III	PLANT & MACHINERY AND EQUIPMENTS	137,684,108	146,881	2,819,432	135,011,557	94,061,798	8,775,002	2,575,175	100,261,625	34,749,932	43,622,310				
IV	FURNITURE & FIXTURES	5,537,805	26,369	-	5,564,174	4,141,545	247,796	-	4,389,342	1,174,832	1,396,261				
V	VEHICLES	105,878,705	1,270,643	433,507	106,715,841	94,201,521	9,471,874	393,881	103,279,516	3,436,325	11,677,184				
	TOTAL (B)	497,530,109	1,510,629	3,701,534	495,339,204	210,118,152	20,881,831	3,053,755	227,946,233	267,392,968	287,411,952				
	GRAND TOTAL	497,789,688	1,534,854	3,701,534	495,623,008	210,356,377	20,900,927	3,053,755	228,203,553	267,419,451	287,433,309				
	Previous Year	507,010,732	5,515,529	14,736,571	497,789,688	202,267,728	22,038,057	13,949,401	210,356,377	287,433,309	304,743,003				
	Capital Work in Progress	1,959,820.00	32,601.00	-	1,992,421										

10.1 Capital Work in Progress

The company has incurred expenditure for site development in respect of various plots acquired during the year 2013-2014. 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 the work as tangible assets and amount Rs.19,92,421/- is still pending as WIP.

10.2 Following properties has been given as Collateral Securities to UCO Bank in respect of various credit facilities enjoyed by Fairdeal Supplies Ltd a group company and these properties have been symbolically possessed by the UCO Bank. Please refer the details in Note No. 32 in Notes on Accounts:-

FIXED ASSETS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Cost as on 01.04.2013	Additions	Deletions	Cost as 31.03.2014	As On 01.04.2013	Addition / Adjustments	01.04.2013 to 31.03.2014	Deletions/ Adjustments	Total	As on 31.03.2014	As on 31.03.13
Building (at B.K.M. road howrah)	456548	-	-	456548	117208	-	7442	-	124650	331898	339340
Building (Boundry Wall)	3756567	-	-	3756567	223750	-	61232	-	284982	3471585	3532817
Godown	39555897	-	-	39555897	6315100	-	644761	-	6959861	32596035	33240796
Land & Site Development	98380265	66736	-	98447001	-	-	-	-	-	98447001	98380265
WeighBridge	3248488	-	-	3248488	2423819	-	335894	-	2710537	537951	824669
Total	145397765	66736	-	145464501	9079877	-	1049329	-	10080030	135384470	136317887

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

FIXED ASSETS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Cost as on 01.04.2013	Additions	Deletions	Cost as 31.03.2014	As On 01.04.2013	Addition / Adjustments	01.04.2013 to 31.03.2014	Deletions/ Adjustments	Total	As on 31.03.2014	As on 31.03.13
Building	90018791	-	-	90018791	8433240	-	1467306	-	9900547	80118244	81585550

Note 11 : Non Current Investments

PARTICULARS	31/03/2014	31/03/2013
Shares & Securities		
Non Trade Long Term (At Cost)		
A.Quoted Equity Shares (Fully Paid Up)	Face Value	Nos.
(Aggregate Market Value of Quoted Investments)	Amount	Amount
NSC Certificate	-	-
Investment in Immovable Properties(At Cost)	100,000	100,000
TOTAL	1,00,000	8,728,626

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 in the Books of Account.

Note 12 : Deferred Tax Assets (Net)

PARTICULARS	31/03/2014	31/03/2013
Deferred Tax Liability	16,389,844	20,891,211
Deferred Tax Assets	27,733,664	21,808,516
	11,343,820	917,305

	Particulars	Year Ended	
		31/03/14	31/03/13
A.	The movement in deferred tax account is as follows:		
	Opening Balance	(9,17,305)	2,47,63,707
	Provision for current year deferred tax liability(net)	(104,26,515)	(25,68,102)
	Closing balance of deferred tax liability/(Assets)	(1,13,43,820)	(9,17,305)
B.	Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws the following amounts are shown in the balance sheet		
	Deferred Tax Liabilities	1,63,89,844	2,08,91,211
	Deferred Tax Assets	(2,77,33,664)	(2,18,08,516)
		(1,13,43,820)	2,47,63,707

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	2,08,91,211	(45,01,367)	1,63,89,844
TOTAL (A)	2,08,91,211	(45,01,367)	1,63,89,844
Deferred Tax Assets			
Tax impact of expenses charged in the financial statements but allowable in future years under income tax			
Bonus Payable	1,69,738	(32,735)	1,37,003
Unabsorbed Depreciation	3,10,496	11,93,125	15,03,621
Expenses Disallowed u/s. 43B	1,66,25,218	(19,91,083)	1,46,34,134
Business Losses	41,81,500	68,46,934	1,10,28,434
Speculation Losses	2,353	NIL	2,353
Provision. Doubtful Advances	12,360	NIL	12,360
Provision Doubtful Debts	5,06,851	(91,093)	4,15,758
TOTAL(B)	2,18,08,516	59,25,148	2,77,33,664
Net Deferred Tax Liability/(Assets) (A-B)	(9,17,305)	(1,04,26,515)	(1,13,43,820)

Note 13: Other Non-Current Assets

PARTICULARS	<u>31/03/2014</u>	<u>31/03/2013</u>
(Unsecured and Considered Good) Capital Advances*	2,759,000	2,470,000
Security Deposits	11,947,597	772,498
Loans & Advances to Related Parties	-	-
Other Loans & Advances	98,045,894	140,568,241
	<u>112,752,491</u>	<u>143,810,739</u>

*Capital Advance includes payment made for advance against purchase of Land amounting to Rs. 24,70,000/- (P. Y. Rs. 24,70,000) but no agreement was executed in respect thereof.

Note 14: Trade Investments

PARTICULARS			<u>31/03/2014</u>	<u>31/03/2013</u>
Shares & Securities				
Trade Short Term (At Cost)				
A.Quoted Equity Shares (Fully Paid Up)	Face Value	Nos.	Amount	Amount
Equity shares of Shree Ashtavinayak	10.00	609,676.00	2,350,340	2,350,340
			<u>2,350,340</u>	<u>2,350,340</u>
(Aggregate Market Value of Quoted Investments)			2,350,340	2,350,340
Investment in Immovable Properties(At Cost)*			67,111,549	67,111,549
TOTAL			<u>69,461,889</u>	<u>69,461,889</u>

* Punjab & Sind Bank has taken physical possession of the property situated at Kolkata shown as Investment in Immovable Properties.

Note 15: Inventories

PARTICULARS	<u>31/03/2014</u>	<u>31/03/2013</u>
Consumables Stores & Tools	15,351	18,838
Stock in Trade	113,213,588	86,407,157
	<u>113,228,939</u>	<u>86,425,995</u>

Note 16: Trade Receivable

PARTICULARS	<u>31/03/2014</u>	<u>31/03/2013</u>
Unsecured Considered Good <u>Debts Outstanding For a period</u> Exceeding Six Months	15,684,103	22,121,205
Others	70,346,365	78,981,646
	<u>86,030,468</u>	<u>101,102,852</u>
Unsecured Considered Doubtful Outstanding For a period exceeding six month	7,001,214	7,296,016
Others	-	-
Less: Provisions	1,345,494	1,640,296
Less: Provision for Claim	5,655,720	5,655,720
	<u>86,030,468</u>	<u>101,102,852</u>

16.1 Provisions for Claims:

Nature of Liability	Provisions as on 01.04.2013	Additions	Amount used the year	Reversal ,if any during	Provision as on 31-3-2014
Claims	56,55,720	Nil	Nil	Nil	56,55,720
Total	56,55,720	Nil	Nil	Nil	56,55,720

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

16.2 The management is rigorously pursuing the recovery against doubtful debts and advances and is hopeful of recovery. Provision is made to the extent considered necessary in accordance with the principal of prudence and conservatism.

Note 17: Cash & Bank Equivalent

PARTICULARS	<u>31/03/2014</u>	<u>31/03/2013</u>
<u>Cash On Hand</u>	6,817,981	6,057,687
Balances with Banks	2,512,854	2,024,307
In Fixed Deposits with Banks	13,01,363	2,275,000
<u>OTHER BANK BALANCES</u>		
In Fixed Deposits with Banks	23,64,318	1,151,363
	<u>12,996,516</u>	<u>11,508,357</u>

Fixed Deposits of Rs. 22,65,681/- (P.Y. 34,26,363/-) are pledged with banks for various facilities.

Note 18: Short Term Loans & Advances

PARTICULARS	<u>31/03/2014</u>	<u>31/03/2013</u>
<u>LOAN & ADVANCE</u>		
Unsecured Considered Doubtful		
Doubtful Advance	40,000	40,000
Less: Provision	40,000	40,000
	-	-
Unsecured Considered Good		
<u>Loans & Advances</u>		
Recoverable in cash or in Kind or for value to be received	33,026,653	33,442,641
Deposits	3,885,298	2,971,648
Advance Income Tax (Net)	14,891,385	10,010,392
	<u>51,803,336</u>	<u>46,424,681</u>
	<u>51,803,336</u>	<u>46,424,681</u>

18.1 The company has provided Unsecured Loan to Gateway Commodities(P) Ltd. during the year and yearend balance is Rs.6,44,54,127/- (Previous year Rs. 8,74,29,414/-). The said loan carry interest @ 14% p.a.

18.2 Short Term Loans & Advances includes Rs. 14,891,385 /-(P.Y. Rs. 1,00,10,392/-) being advance tax refundable under Income Tax Act,1961 in respect of various years withheld by authorities in respect of disputed tax demands for which appeals are pending before various authorities. The company is confident of favorable disposal of the same and hence no provision is considered necessary in respect thereof.

Note 19: Other Current Assets

PARTICULARS	31/03/2014	31/03/2013
Other Receivable	9,206,139	9,466,808
	9,206,139	9,466,808

Note 20 : Revenue From Operations

Particular	31/03/2013	31/03/2012
Sale of Products	264,270,430	284,673,783
- Sale of Automobile Parts & Lubricants	263,910,475	277,316,278
- Sale of Iron Ore	-	6,766,368
- Sale of Bricks	359,955	591,137
Income from Services	152,867,193	151,833,510
- Logistics Operations	118,852,905	118,609,769
- Rent Income on Let out Property	19,573,868	20,995,078
- Wind Energy	14,440,420	12,228,663
Other Operational Income	2,708,625	2,988,394
Less: Excise Duty	-	-
	419,846,247	439,495,687

Note 21 : Other Income

Particular	31/03/2014	31/03/2013
Interest on Banks(Gross,T.D.S.Rs.22437/-,P.Y.Rs.12702/-)	343,181	262,112
Interest on Others	17,859,631	22,553,304
Provision No Longer Required Written Back	1,395,872	33,810
Profit/(Loss) on Sale of Investments	20,496,374	8,004,714
Miscellaneous Income	395,067	2,020,044
	40,490,124	32,873,984

Note 22 : Cost of Materials Consumed

Particular	31/03/2014	31/03/2013
Raw Materials Consumed		
Opening Stock	-	190,343
Add : Purchases	-	-
Less : Transferred to Traded Goods	-	190,343
Less : Closing Stock	-	-
	-	-

Note 23 : Purchase of Stock in Trade

Particular	31/03/2014	31/03/2013
<u>Goods Traded In</u>		
Purchases	272,045,773	264,626,118
- Purchase of Automobile Parts & Lubricants	272,045,773	264,265,523
- Purchase of Iron Ore	-	-
- Purchase of Bricks	-	360,595
	<u>272,045,773</u>	<u>264,626,118</u>

Note 24 : Change in Inventories of Finished Goods & Stock in Trade

Particular	31/03/2013	31/03/2012
Opening Stock	86,407,157	119,063,886
Add: Transferred from Raw Material	-	190,343
Less : Closing Stock	113,213,588	86,407,157
	<u>(26,806,431)</u>	<u>32,847,072</u>

Note 25 : Employee Benefit Expenses

Particular	31/03/2014	31/03/2013
Salary, Bonus & Allowances	16,611,421	15,029,150
Staff Welfare Expense	1,992,716	1,583,473
Employers Contribution to P.F., E.S.I., etc.	1,386,864	896,317
	<u>19,991,001</u>	<u>17,508,940</u>

* Salary Includes Managerial Remuneration Rs. 6,00,000/- (PY. Rs. 4,95,000)

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

Sr.No.Particulars	2013-14	2012-13
1 Reconciliation of opening and closing balance of the defined benefit obligation		
Present value of obligations as at beginning of year	1826913	1514063
Interest cost	146153	121125
Current Service Cost	225826	201531
Benefits paid	(241082)	(71413)
Actuarial (gain)/loss on obligations	383802	(61607)
Present Value of Obligation as at end of Year	2341612	1826913
2 Reconciliation of opening and closing balances of the fair value of plan asset		
Fair value of plan assets at beginning of year	2239601	2112354
Expected return on plan assets	195724	186862
Contributions	390569	11798
Benefits paid	(241082)	(71413)
Actuarial Gain/(Loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	2584811	2239601

Sr.No. Particulars	2013-14	2012-13
3 Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	2239601	2112354
Actual return of plan assets	195724	186862
Contributions	390569	11798
Benefits paid	(241082)	(71413)
Fair value of plan assets at the end of year	2584811	2239601
Funded status	243199	412688
Excess of Actual over estimated return on plan assets	NIL	NIL
Actual rate of return = Estimated rate of return as ARD fails on 31 st March)		
4 Actuarial Gain/Loss recognized		
Actuarial (gain)/loss for the year –Obligation	383802	61607
Actuarial (gain)/Loss for the year – plan assets	NIL	NIL
Total (gain)/Loss for the year – plan assets	383802	(61607)
Actuarial (gain)/Loss recognized in the year	383802	(61607)
5 Amounts to be recognized in the balance sheet		
Present value of obligations as at the end of year	2341612	1826913
Fair value of plan assets as at the end of the year	2584811	2239601
Funded status	243199	412688
Net Asset/(liability) recognized in balance sheet	243199	412688
6 Expenses Recognized in statement of profit & loss		
Current Service cost	225826	201531
Interest cost	146153	121125
Expected return of plan assets	(195724)	(186862)
Net actuarial (gain)/Loss recognized in the year	383802	(61607)
Expenses recognized in statement of profit & loss	560057	(197401)
Assumptions		
Discount Rate	8 %	8 %
Salary Escalation	7 %	7 %

Note 26 : FINANCIAL CHARGES

Particular	31/03/2014	31/03/2013
Interest on Term Loans	1,200,069	86,763
Bank Interest	52,258,793	59,743,171
Others	2,370,237	5,315,501
	55,829,099	65,145,435

** Refer Note No. 6.2

Note 27 : OTHER EXPENSES

Particular	31/03/2014	31/03/2013
<u>Operation Expenses</u>		
Freight Payment	1,785,293	714,422
Trip Expense And Allowances	23,882,634	21,544,378
Diesel Expense	56,982,357	52,647,135
Claims	1,058,269	4,026,057
Loading & Unloading Expense	150	3,679
Power	-	12,394
Repair and Maintenance - Machinery	10,899,979	11,383,015
Repair and Maintenance - Building	339,451	184,590
Repair and Maintenance - Others	1,948,540	2,578,790
Other Operational Expense	6,279,367	3,458,337
	103,176,040	96,552,796
<u>Administrative & Other Expenses</u>		
Travelling & Conveyance Expense	2,103,634	1,357,543
Auditors Remuneration	493,653	307,811
Insurance Premium	2,809,181	2,616,369
Rates & Taxes	1,191,311	966,893
Rent	793,077	699,973
Provision for doubtful debts and advances	-	314,000
Foreign Exchange Fluctuation	2,507,322	1,763,499
Bad debt Written off/Sundry Balance Written off (Net)	3,375,219	1,993,526
Penalty/Fines	5,750	11,890
Loss on Foreign Exchange Forward Booking	-	635,000
Other Administrative Expense	10,418,502	11,564,452
Brokerage and commission	4,097,721	476,500
	27,795,370	22,707,456
TOTAL OTHER EXPENSES	130,971,411	119,260,252

Payment to Auditors:

PARTICULAR	Year ended 31/03/2014	Year ended 31/03/2013
a) Audit Fees	428653	240395
b) Taxation Matters	65000	67416
c) Management Consultancy	NIL	NIL
d) Service Tax	NIL	NIL

Note 28 : Provision for Deferred Taxes

Particular	31/03/2014	31/03/2013
Provision for Deferred Tax	(10,426,515)	(25,681,012)
	(10,426,515)	(25,681,012)

Note 29 : Exceptional & Extra Ordinary Items

Particular	31/03/2014	31/03/2013
Prior Period Expenses (Net)	651,622	(3,561,384)
(Profit) on Sale of Assets	(315,721)	(3,727,057)
Loss on Sale of Fixed Assets	-	33,415
	335,901	(7,255,025)

Note 30 : Contingent liabilities not provided for

Particulars	2013-14	2012-13
Corporate Bank Guarantee	318,00,00,000	318,00,00,000
Claims against the Company not acknowledged as debts (including MACT claims aggregating to Rs.3,49,00,258/- for which the Company holds adequate Insurance)	4,01,51,518	4,01,51,518
Disputed Direct and Indirect Taxes for which appeals are pending at different forums	58,65,398	1,00,89,146
Suit filed by The New India Insurance Co Ltd to recover amount under The Carries Act	2,12,87,770	2,12,87,770
Service tax on Rental Income (the matter is Sub-Judice in Hon'ble High Court, New Delhi)	NIL	26,34,837
TOTAL CONTINGENT LIABILITY	3,24,73,04,686	3,25,41,63,271

30.1 The company has provided Corporate Bank Guarantee to UCO Bank in respect of Credit Facilities enjoyed by Fairdeal Supplies Ltd. In respect of such guarantee, company has given some of its Fixed Assets as Collateral Securities. Details of such Fixed Assets have been given in Note No 10.2. UCO Bank has issued demand notice dated 05-08-2012 to the borrowers/guarantors/mortgagors to repay the amount mentioned in the notice being Rs 235,94,31,422.65, failing on which the bank has taken Symbolic Possession of the properties in exercise of powers conferred upon them under the SARFAESI Act, 2008.

30.2 In respect of the corporate guarantee given by the company in respect of Credit facilities of Fairdeal Supplies Ltd (a group company) by UCO Bank, Government approval has not been obtained in terms of Section 295 of The Companies Act, 1956.

Note : 31 Foreign Currency Exposure

31.1 Expenditure in Foreign Currency

Particulars	2013-14	2012-13
Professional Fees (VCS Issuance USD 658.80) (P.Y. VCS Issuance & VCS Levy Fee 658.80 US\$)	39,372	35,901

31.2 Receipt in Foreign Currency

Particulars	2013-14	2012-13
Carbon Credit EURO 17568 (Prev. Year NIL)	12,66,958	NIL

31.3 Foreign Exchange Exposures not hedged at close of the Year:

Nature of Instrument	As at 31 March 2014	As at 31 March 2013
i) Payables in USD	NIL	NIL

Note : 32 Earning Per Share (EPS) Basic and Diluted

Particulars	For the year ending	
	March 31, 2014	March 31, 2013
Profit/(Loss) after tax (Amount Rs.)	(17,13,200)	(1,61,20,164)
Weighted Average Number of Equity shares outstanding	49,77,450	49,77,450
Earning / (Loss) Per Share (Rupees)	(0.34)	(3.24)

Note : 33 Quantitative Details of Major items.

Description	Units	Opening Stock		Purchase		Sale		Short Excess	Closing Stock	
		Qty	Value(Rs)	Qty	Value(Rs)	Qty	Value(Rs)		Qty	Value(Rs)
Automobile Components	Pcs	352,652	82394278	1,085,349	354,635,540	1,043,620	301,003,933	NIL	394,381	108253428
		(447706)	-70,859,532	(1169203)	-238,178,616	-1,264,257	-251,777,847	(NIL)	-352,652	(82394278)
Lubricants	Ltr.	5206	3739889	31,451	27,988,937	30,288	25,170,775	NIL	6369	4799800
		-3,602	-3,356,731	-31,534	-26,086,907	-29,930	-25,538,431	(NIL)	(5206)	(3739889)
Bricks	Pcs	8095	272990	NIL	NIL	8095	359955	NIL	NIL	NIL
		(NIL)	(NIL)	(17368)	(360595)	(9273)	(591137)	(NIL)	(8095)	(272990)
Iron Ore	M.T.	Nil	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(9332)	(44670478)	(NIL)	(NIL)	(9331)	(6766368)	1	(NIL)	(NIL)

Note : 34 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)
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 Transaction with Related Parties	Associates/Joint Ventures	
		2013-14	2012-13
1	<u>Interest on Loan</u> Shiv Shakti Steel Pvt. Ltd Falgun Exports Pvt. Ltd. Prima Financial Services Ltd. Fairdeal Supplies Ltd	525620 Nil Nil 155234 370386	1020774 Nil Nil 129242 891532
2	<u>Sale of Goods</u> M/S Fairdeal(partnership firm) Scientific Weigh Bridge & Auto parts(partnership firm)	76929714 66531137 10398577	97562269 75244001 22318268
3	<u>Rent Income</u> Fairdeal Supplies Ltd	61176 61176	61176 61176
4	<u>Rent Expense</u> Fairdeal Supplies Ltd Ramprasad Agrawal Baijnath & Sons-HUF	218164 66000 119,894 32,270	218164 66000 119,894 32,270
5	<u>Weigh Bridge Income</u> Falgun Export Pvt. Ltd.	Nil Nil	2,832 2,832
6	<u>Income from Tipper</u> Shiv Shakti Steel Pvt. Ltd	NIL Nil	758,430 758,430
7	<u>Income from Loading & Unloading</u> Falgun Export Pvt. Ltd.	NIL NIL	15104 15104
8	<u>Sale of Tipper</u> Shiv Shakti Steel Pvt. Ltd	Nil Nil	2,025,000 2,025,000
9	<u>Managerial Remuneration</u> Pawankumar agarwal	6,00,000 6,00,000	4,95,000 4,95,000
10	<u>Outstanding as at year end</u> <u>Net Receivable</u> Falgun Export Pvt.Ltd Shiv Shakti Steel Pvt Ltd. Bajrang Refractories Pvt. Ltd.	52,658,490 1,223,899 Nil 51,434,591	49,911,945 1,263,899 1,566,395 47,081,651
	<u>Net payable</u> Falgun Export Pvt.Ltd	812,789	917,294
	<u>Unsecured Loan</u> Prima Financial Services Ltd. Fairdeal Supplies Ltd	6,021,661 1,864,538 4,157,123	6,693,779 1,724,827 4,968,952

35. Segment Information

Business Segment

Particulars	Wind Energy	Trading	Transportation	Renting of	Others	Total Rs.
Revenue						
External Sales :						
Domestic Sales	14,440,420	264,270,430	118,852,905	19,417,868	43,354,749	460,336,372
	12,228,663	284,673,783	118,609,769	20,839,078	37,583,345	473,934,637
Export Sales	-	-	-	-	-	-
	-	-	-	-	-	-
Total External Sales	14,440,420	264,270,430	118,852,905	19,417,868	43,354,749	460,336,372
	12,228,663	284,673,783	118,609,769	20,839,078	37,583,345	473,934,637
Add: Inter Segment Sales	-	-	-	-	-	-
	-	-	-	-	-	-
Total Segment Sales/ Revenue	4,440,420	264,270,430	118,852,905	19,417,868	43,354,749	460,336,372
	12,228,663	284,673,783	118,609,769	20,839,078	37,583,345	473,934,637
Segment result before interest, exceptional/ extraordinary items & tax	4,909,315	16,337,636	20,488,087	16,798,228	(4,873,062)	53,660,205
	2,372,024	41,472,865	(30,748,592)	18,209,265	10,464,682	41,770,245
Add: Unallocated Income Net of Unallocable Exp.					-	
Less : Interest	370,495	49,628,274	2,598,079	-	3,232,251	55,829,099
	3,090,204	23,676,697	(20,752,728)	884,726	58,246,536	65,145,435
Profit Before Exceptional/ Extra Ordinary items & tax)	4,538,820	(33,290,638)	17,890,008	16,798,228	(8,105,313)	(2,168,894)
	(718,180)	17,796,168	(9,995,864)	17,324,539	(47,781,854)	(23,375,190)
Prior Period Adjustment & Exceptional/Extra Ordinary Items	-	(12,763)	(15,300)	(597,058)	289,220	(335,901)
	(4,725)	(90,377)	(98,913)	3,767,261	3,681,779	7,255,025
Profit Before taxes	4,538,820	(33,303,401)	17,874,708	16,201,170	(7,816,093)	(2,504,796)
	(722,905)	17,705,791	(10,094,777)	21,091,800	(44,100,074)	(16,120,164)
Taxes	=	=				
Profit After Taxes						(2,504,796)
						(16,120,164)
Total Assets						
Segment Assets	28,528,745	297,123,292	152,139,185	214,783,338	17,525,707	710,100,266
	42,703,439	220,376,754	196,370,700	216,905,564	79,956,226	756,312,684
Unallocable Asset at HO					-	-
Total						710,100,266
						756,312,684
Total Liabilities						
Segment Liabilities	2,442,222	129,203,219	150,596,969	-	6,918,934	289,161,344
	3,469,752	118,310,500	40,886,138	-	68,897,767	231,564,156
Unallocable Liability at HO					-	-
Total						289,161,344
						231,564,156
Total Cost Incurred during the year to acquire segment assets	43,163	62,611	1,181,962	213,286	33,832	1,534,854
	7,450	549,092	4,508,640	213,286	237,061	5,515,528

Total Cost Incurred during the year to acquire unallocable Asset						-
Segment Depreciation	6,192,005	381,314	11,440,589	2,235,521	651,499	20,900,928
	<i>7,239,213</i>	<i>381,110</i>	<i>11,487,518</i>	<i>2,235,521</i>	<i>694,696</i>	<i>22,038,057</i>
Segment Depreciation (Unallocable Asset)						
Non-cash expenses other than depreciation	254,133	71,305	575,115	-	-	900,552
	-	-	<i>3,558,491</i>	-	-	<i>3,558,491</i>

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

Geographical Segments

Particulars	Calcutta Division	Ahmedabad Division	Banglore Division	Total Rs.
Revenue				
External Sales:				
Domestic Sales/Income	51,619,017	325,967,106	83,207,884	460,794,007
	<i>59,090,915</i>	<i>332,042,892</i>	<i>82,800,830</i>	<i>473,934,637</i>
Export Sales	-	-	-	-
	-	-	-	-
Total Sales/Income	51,619,017	325,967,106	83,207,884	460,794,007
	<i>59,090,915</i>	<i>332,042,892</i>	<i>82,800,830</i>	<i>473,934,637</i>
Add: Inter Segment Sales	-	-	-	-
	-	-	-	-
Total Sales	51,619,017	325,967,106	83,207,884	460,794,007
	<i>59,090,915</i>	<i>332,042,892</i>	<i>82,800,830</i>	<i>473,934,637</i>
Less: Inter Segment Sales	-	-	-	-
	-	-	-	-
Total Revenue	51,619,017	325,967,106	83,207,884	460,794,007
	<i>59,090,915</i>	<i>332,042,892</i>	<i>82,800,830</i>	<i>473,934,637</i>
Total Assets				
Segment Assets	400,831,765	300,248,216	9,020,285	710,100,266
	<i>442,022,390</i>	<i>308,856,810</i>	<i>5,433,484</i>	<i>756,312,684</i>
Unallocable Asset	-	-	-	-
Total Cost Incurred during the year to acquire segment assets	91,905	1,422,649	20,300	1,534,854
	<i>4,659,126</i>	<i>811,202</i>	<i>45,200</i>	<i>5,515,528</i>

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

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

Narayanprasad Agrawal
Director

Sd/-
Paresh Thothawala
Partner
M.No. 48435

S. K. Verma
Company Secretary

Pawankumar Agrawal
Managing Director

Date: 30/05/2014
Place: Ahmedabad

Date : 30/05/2014
Place : Ahmedabad

ATTENDANCE SLIP

DP ID _____

(To be presented at the entrance)

Folio No./Client ID _____

I/We hereby record my/our presence at the 25th Annual General Meeting of the company at 4, B.B.D. Bag (East), Stephen House, Room No. 5, 1st Floor, Kolkatta – 700 001 on Tuesday, 30th day of September, 2014 at 10.00 a.m.

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

Signature of the Member/ Proxy

PROXY FORM

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

Name of the Member(s): Registered address: E-mail Id: Folio No./ Client ID: DP Id:

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

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

As my/our proxy to attend and vote (on a poll) for me /us and on my/our behalf at the 25th Annual General Meeting of the company to be held on Tuesday, 30th day of September, 2014 at 10.00 a.m. at 4, B.B.D. Bag (East), Stephen House, Room No. 5, 1st Floor, Kolkatta – 700 001 and at any adjournment thereof in respect of such resolution as are indicate below:

Resoluti- on No	Particulars of Resolution	Voting	
		For	Against
	ORDINARY BUSINESS		
1	Consider and adopt Financial Statements of the Company for the year ended 31 st March, 2014 together with the Reports of the Board of Directors and Auditors' thereon		
2	To Reappoint Mr. Ram Prasad Agarwal who retires by rotation and, being eligible, himself for Re-appointment.		
3	To Reappoint Mr. Saurabh Jhunjhunwala who retires by rotation and, being eligible, himself for Re-appointment.		
4	Appointment of Auditors of the Company and fixing their remuneration		
	SPECIAL BUSINESS		
5	To authorise Board of Directors to borrow money as per Section 180 (1) (c) of the Companies Act, 2013		
6	To authorise Board of Directors to borrow money as per Section 180(1)(a) of the Companies Act, 2013		
7	To appoint Mr. Rahul Chomal as an Independent Director of the Company		
8	To appoint Shri Virendra Sharma as an Independent Director of the Company		
9	To appoint Shri Jiwraj Khaitan as an Independent Director of the Company		
10	To appoint Shri Sital Kumar Banerjee as an Independent Director of the Company		

Signed this _____ day of _____ 2014

Affix Revenue Stamp

Signature of the Shareholder _____

Signature of first proxy holder Signature of second proxy holder

Signature of third proxy holder



ELECTRONIC VOTING PARTICULARS

EVSNO NO.	USER ID	PASSWORD
140826008	Pls. refer to Note No. G in the Notice	

Dear Member,

Subject: Process and manner for availing E-voting facility

Pursuant to Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide e-voting facility to the members in relation to the business to be transacted at the 25th Annual General Meeting to be held on Tuesday 30th September, 2014 at 10:00 a.m.

The Company has engaged the services of Central Depository Services Limited (“CDSL”) to provide e-voting facilities. The e-voting facility is available at the link : www.evotingindia.com

The instructions for e-voting are as under:

- (A) In case a Member receives an email from NSDL/ CDSL [for members whose email IDs are registered with the Company/Depository Participants(s)]:**
- (i) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
 - (ii) Log on to the e-voting website www.evotingindia.com
 - (iii) Click on “shareholders” tab to cast your votes.
 - (iv) Now select the Electronic Voting Sequence Number – “EVSNO” along with “COMPANY NAME” (Frontline Corporation Limited) from the drop down menu and click on “SUBMIT”.
 - (v) Now, fill up the following details in the appropriate boxes :

	For Members holding Shares in Demate Form	For Members holding Shares in Physical Form
User ID	For NSDL – 8 characters of DP ID followed by 8 Digits Client ID For CDSL – 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digits alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio.	
Dividend Bank Detail #	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

* Members who have not updated their PAN with the Company/Depository Participant are requested to use - the First 2 alphabets from First Holder Name filed + 8 characters from right of BOID/ Folio Number (If the BOID / Folio Number is shorter than 8 characters then the system will insert "0" (zero) to fulfill the 10 character requirements.) in the PAN field. No special characters will be taken from the name.

Please enter any one of the details in order to login. If the Date of Birth & Bank Account Details both are left blank then the system will record BOID / FOLIO NO. in the Bank Account Details

- (i) After entering these details appropriately, click on "SUBMIT" tab.
 - (ii) Members holding shares in physical form will then reach directly to the voting screen. However, members holding shares in demat form will now reach 'Password Change' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & *). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through NSDL / CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through NSDL / CDSL platform.
 - (iii) Click on the relevant EVSN on which you choose to vote.
 - (iv) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (v) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
 - (vi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm you vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (vii) Once you "CONFIRM" you vote on the resolution, you will not be allowed to modify your vote.
- (B) In case of members receiving the physical copy of Notice of AGM (for members whose e-mail IDs are not registered with the Company/depository participant(s) or requesting physical copy)
- (i) Please follow all steps from Sl. No. (ii) to (vi) and then Sl. No. (viii) to Sl. No. (xii) above to cast vote.
- (C) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- (D) The voting period begins on 23rd September-2014(9:00 am) and ends on 24th September, 2014 (6.00 p.m.) During these period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd August, 2014, may cast their vote electronically. At the end of the voting period, the e-voting platform shall be disabled by NSDL for voting. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (E) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdsl.india.com.
- (F) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd August, 2014.

- (G) Mr. Alkesh Jalan, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process (including the physical ballots received from members who don't have access to the e-voting process) in a fair and transparent manner.
- (H) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (I) The Results shall be declared at the AGM of the Company. The result will be announced to the Stock Exchanges where the shares of the Company are listed and will also be displayed on the Company's website www.frontlinecorporation.org

By order of the Board of Directors
For FRONTLINE CORPORATION LIMITED

RAM PRASAD AGARWAL
Chairman

BOOK - POST

If Undelivered Please return

To ***FRONTLINE CORPORATION LIMITED***

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

FORM A
(Pursuant to Clause 31(a) of Listing Agreement)

No.	Particulars	Details
1	Name of the Company	Frontline Corporation Limited
2	Annual Standalone financial statements for the year ended	31 st March 2014
3	Type of Audit Observation	<p>The Statutory Auditors in their Independent Audit Report dated 30.05.2014 drew attention of the stakeholders as follows:</p> <p>Emphasis of Matter:</p> <ol style="list-style-type: none"> 1. Note no. 10.2 regarding properties given as collateral security to UCO Bank to secure various credit facilities enjoyed by M/s Fairdeal Supplies Limited (Group Company) and these properties have been symbolically possessed by UCO Bank. 2. Note no. 10.3 regarding symbolic possession of leased property situated at Gandhinagar taken by Punjab and Sind Bank toward recovery of amount due. 3. Note No. 14.1 regarding physical possession of property situated at Kolkata taken by Punjab and Sind Bank and the bank in the process of auction of said property. <p>The Statutory Auditors in their Annexure to the Independent Audit Report dated 30.05.2014 drew attention of the stakeholders as follows:</p> <p>at para iv-</p> <p>In respect of Internal Controls:</p> <p>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</p>



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**

at para ix a)

The Company is generally 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 except service tax and tds were not deposited regularly. It is informed by the company that the ESI is not applicable to the Com-pany. **The company has not provided and deposited vat on fixed assets sold during the year.**

at para (xi)

The Company has defaulted in repayment of principal amounting to Rs. 2939.85 Lacs and interest amounting to Rs 1054.06 Lacs in respect of various loans taken from banks and financial institutions. Particulars of amount and period of defaults are as under:

at para ln(xv)

According to the information and explanations give to us, we are of opinion that the terms and conditions of the guarantees as given by the Company, during the year, for the loan taken by others from



banks or financial institutions are, primea facia, prejudicial to the interest of the Company as the approval of central government under section 295 of the Companies Act, 1956 for corporate guarantee given to secure various credit facilities amounting to Rs. 318 crores to M/s. Fairdeal Supplies Ltd., group company not obtained.

Reply of the Company:





In reply to point No. 1, 2 and 3 of Emphasis of Matter raised by the Statutory Auditors of the Company in their Independent Auditors' Report it is stated that the attachment of properties by the Bank is a legal process and the Company is taking all legal steps to protect the property. Further the Company is taking all steps to make the settlement of the matter and the Company is actively undertaking the settlement matter with the Banks. Further the Company is also making all its efforts to repay the debt and to release the property.

In reply to para (iv) of the annexure to the Independent Auditors' Report it is stated that the Company is making all its efforts to strengthen the internal controls over the generation and disposal of scrap. Even though the Company has during the current year implemented the process of strengthening of internal controls over generation and disposal of scrap by maintain the records and putting the required manpower for the same. The Board of Directors of the Company feels that the process of strengthening of internal controls is more costlier than the revenue generated.

In reply to sub Para (a) of Para (ix) of the Independent Auditors' Report it is stated that the Company could not pay VAT on due date on account of liquidity crunch. However, the Company has since then paid VAT on the fixed assets sold during the year.

In reply to Para (xi) of the Independent Auditors' Report it is stated that the Company is facing liquidity and financial crisis and consequently the Company is




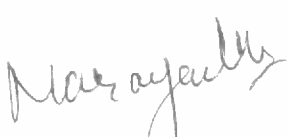


		<p>unable to pay to its Bankers. The Board of Directors of the Company are making all their efforts to protect legally properties of the Company and to repay the debt to the Bankers at the earliest.</p> <p>In reply to Para (xv) of the Independent Auditors' Report it is stated that the Company at the time when M/s. Fairdeal Supplies Limited, a Group concern of the Company obtained the loan from the Banks, the financial conditions and other prospects of M/s. Fairdeal Supplies Limited were excellent. The Board of Directors of the Company did not forecast that loan availed by M/s. Fairdeal Supplies Limited will be defaulted. The Bankers of M/s. Fairdeal Supplies Limited have stipulated a condition to give the collateral and guarantee for the facilities to be availed by the Fairdeal Supplies Limited.</p> <p>The Board of Directors of the Company would further like to state that it has already filed necessary petition before the respective authorities for compounding the matter.</p>
4	Frequency of observation	Current year
5	To be signed by:	<p> Pawan Kumar Agarwal</p> <p> Narayan Prasad Agarwal</p> <p> Bharat Arora</p> <p> Paresh Thothawala & Co.</p>
	<ul style="list-style-type: none"> • Managing Director • Director • Audit committee chairman • Auditor of Company 	



FORM B

(Clause 31(a) of Listing Agreement)

Format of covering letter of the annual audit report to be filed with the stock exchanges

No.	Particulars	Details
1	Name of the Company	Frontline Corporation Limited
2	Annual Financial statements for the year ended	31 st March 2014
3	Type of Audit Qualification	NIL
4	Frequency of observation	Not Applicable
5	Draw attention to relevant notes in the annual financial statement and management response to the qualification in the director's report.	Suitably replied in the Directors' Report
6	Additional comments from the Board/Audit Committee Chairman	Not Applicable
7	To be signed by: <ul style="list-style-type: none"> • Managing Director • Director • Audit Committee Chairman • Auditors of Company 	 Pawan Kumar Agarwal  Narayan Prasad Agarwal  Bharat Arora  Paresk Thothawala & Co.

