

## FRONTLINE CORPORATION LIMITED

Registered Office: 4, B.B.D. Bag (East), Stephen House,  
Room No.5, 1<sup>st</sup> Floor, Kolkata- 700001, Ph. (033) 22301153, 22306825  
E-mail; [frontlinecorporplimited@gmail.com](mailto:frontlinecorporplimited@gmail.com), [cs.legal.frontline@gmail.com](mailto:cs.legal.frontline@gmail.com)  
Website [www.frontlinecorporation.org](http://www.frontlinecorporation.org)  
CIN NO.:L63090WB1989PLC099645

Date : 27<sup>th</sup> August, 2019

|   |  |
|---|--|
| <b>The General Manager,<br/>– Dept. of Corporate Services.<br/>BSE Ltd.,<br/>Phiroze Jeejeebhoy<br/>Towers, Dalal Street,<br/>Mumbai – 400 001<br/>Ref: Script Code: 532042</b> | <b>The Company Secretary,<br/>The Calcutta Stock Exchange<br/>Association Ltd.,<br/>7, Lyons Range,<br/>Kolkata – 700 001<br/>Ref: Script Code: 016057</b> |
|---|--|

**Sub: Submission of Annual report for the Financial Year 2018-2019  
Ref: Regulation 34 of the SEBI (Listing Obligations and Disclosure  
Requirements) Regulations, 2015**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Annual Report of our Company for the Financial Year 2018-2019 in compliance with provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please take the above on your record and acknowledge the receipt of the same.

Thanking you,  
Yours sincerely,

**For Frontline Corporation Limited**



**Suresh Kumar Verma  
Company Secretary & Compliance Officer**

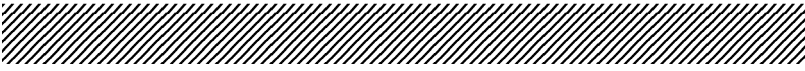
Enclosed: Annual Report



***FRONTLINE CORPORATION LIMITED***

***30th Annual Report***

***(2018-2019)***



**Frontline Corporation Limited**  
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**Board of Directors:**

|                               |  |
|-------------------------------|--|
| Mr. Ram Prasad Agarwal        | : Director & Chairman                              |
| Mr. Narayan Prasad Agarwal    | : Director   |
| Mr. Saurabh Jhunjhunwala      | : Director   |
| Ms. Aarefa Kutub Kapasi       | : Independent Women Director                       |
| Mr. Virendra Sharma           | : Independent Director                             |
| Mr. Jiw Raj Khaitan           | : Independent Director ( ceased w.e.f. 28.9.2018 ) |
| Mr. Sital Kumar Banerjee      | : Independent Director ( ceased w.e.f. 28.3.2019 ) |
| Mr. Pawan Kumar Agarwal       | : Managing Director                                |
| Mr. Rajesh Vasantlal Tripathi | : Independent Director ( w.e.f. 8.3.2019 )         |
| Mr. Sanket Dipakbhai Sheth    | : Independent Director ( w.e.f 29.3.2019 )         |

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

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

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

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

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

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

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

## NOTICE

**NOTICE** is hereby given that the 30<sup>th</sup> **Annual General Meeting** of the members of Frontline Corporation Limited will be held at 10.00 a.m. on Thursday, 19<sup>th</sup> September, 2019 at its Registered Office at 4, B. B. D. Bag (East), Stephen House, Room No. 5, 1<sup>st</sup> Floor, Kolkata – 700 001 to transact the following business :

### **Ordinary Business:**

1. To receive, consider and adopt the audited Statement of Profit and Loss for the year ended March 31, 2019 and the Balance Sheet for the year ended on March 31, 2019 and Cash Flow Statement for the year ended on that date and reports of the Board of Directors and the Auditors there on and other documents attached or annexed thereto.

2. To Re-appoint Mr. Ram Prasad Agarwala , 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 Appoint the Statutory Auditors and to fix their remuneration and in this regards pass with or without modification(s) the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, including any modification, variation or re-enactment thereof, the appointment of M/S S M PANSURIYA & CO. ( Firm Registration No. 126729W) , be and is hereby appointed as Statutory auditors for a period of five financial years ( commencing from 1<sup>st</sup> April, 2019 ) and that the Board of Directors of the Company and the Audit Committee of the Company be and are hereby authorised to fix their remuneration for each financial year and permit reimbursement of actual out of pocket expenses, as may be incurred in the performance of their duties.”

### **SPECIAL BUSINESS:**

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

“RESOLVED THAT, pursuant to the provision of Section 185 of the Companies Act, 2013 and of the rules made thereunder, consent of the members of the Company be and is hereby accorded to the grant of loans, investments or giving of security or guarantee for the loans availed or to be availed by the following body corporates one in which one or more Director(s) of the Company are interested, either directly or indirectly

- a. Bajrang Refractories Private Limited
- b. Fairdeal Supplies Limited.
- c. Shiv Shakti Steels Private Limited
- d. Falgun Export Private Limited
- e. Prima Financial Services Limited

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“RESOLVED FURTHER THAT, the maximum amount of loans and / or investments shall not exceed Rs. 100.00 Crores at any time”

“RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorized to do all such acts, things and deeds that may be necessary in the matter.”

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

“RESOLVED THAT, pursuant to provisions of Section 149 and 152 read with Schedule IV and other applicable provision, if any, of the Companies Act, 2013 and of rules made thereunder and of SEBI ( Listing Obligations and Disclosure Requirements ) 2015, as amended from time to time Mr. Virendra Sharma ( DIN : 01148786 ) Independent Director of the Company whose term expired on 31<sup>st</sup> March, 2019 be and is hereby reappointed as an Independent Director for another term of five years and shall hold office upto 31<sup>st</sup> March, 2024”

“RESOLVED FURTHER THAT, Mr. Virendra Sharma shall not be liable to retire by rotation”

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

“RESOLVED THAT, pursuant to provisions of Section 149 and 152 read with Schedule IV and other applicable provision, if any, of the Companies Act, 2013 and of rules made thereunder and of SEBI ( Listing Obligations and Disclosure Requirements ) 2015, as amended from time to time Mrs. Aarefa Kutub Kapasi ( DIN : 07127418 ) Independent Director of the Company whose term expires on 22<sup>nd</sup> March, 2020 be and is hereby reappointed as an Independent Director for another term of five years and shall hold office upto 21<sup>st</sup> March, 2025”

“RESOLVED FURTHER THAT, Mrs. Aarefa Kutub Kapasi shall not be liable to retire by rotation”

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

“RESOLVED THAT, pursuant to provision of Section 142, 152 and other applicable provision, if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV of the Companies Act, as amended from time to time Mr. Rajesh Vasantlal Tripathi, ( DIN : 08362877 ) who was appointed as an Additional Director by the Board of Directors of the Company with effect from 8<sup>th</sup> March, 2019 as an Independent Director of the Company and who being eligible for appointment has consented to act as an Independent Director be and is hereby appointed as an Independent Director for a period of five years upto 7<sup>th</sup> March, 2024”

“RESOLVED FURTHER THAT, Mr. Rajesh Vasantlal Tripathi shall not be liable to retire by rotation”

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

“RESOLVED THAT, pursuant to provision of Section 142, 152 and other applicable provision, if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV of the Companies Act, as amended from time to time Mr. Sanket Dipakbhai Sheth, ( DIN : 08405839 ) who was appointed as an

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Additional Director by the Board of Directors of the Company with effect from 29<sup>th</sup> March, 2019 as an Independent Director of the Company and who being eligible for appointment has consented to act as an Independent Director be and is hereby appointed as an Independent Director for a period of five years upto 28<sup>th</sup> March, 2024”

“RESOLVED FURTHER THAT, Mr. Sanket Dipkbhai Sheth shall not be liable to retire by rotation”

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

Place: Ahmedabad  
Date: 23<sup>rd</sup> August, 2019

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

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**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 cannot hold more than 50 proxies. Explanatory Statement in respect of Special Business pursuant to Section 173 of the Companies Act, 2013 is also annexed.

**B.** Pursuant to the provision of Section 91 of the Companies Act, 2013 the registers of members and share transfer books of the Company will remain close from Saturday, 14<sup>th</sup> September, 2019 to Thursday, 19<sup>th</sup> September, 2019 (both the days inclusive), for the purpose of annual general meeting.

**C.** All documents referred to in the notice and the explanatory statement requiring the approval of the members at the meeting and other statutory registers 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.

**D.** The Notice of the 30<sup>th</sup> 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 16<sup>th</sup> August, 2019. Members may also note that the notice of the 30<sup>th</sup> AGM and the Annual Report 2018-19 will be available on the Company's website [frontlinecorporation.org](http://frontlinecorporation.org)

**E.** As per Section 72 of the Companies Act, 2013, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nomination are requested to send their request in Form SH-13 for nomination and Form SH-14 for cancellation/variation as the case may be to the RTA.

**F.** A Map showing the Venue of the Annual General Meeting is enclosed herewith.

**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 30<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting. The Company has signed an Agreement with NSDL for facilitating such e-Voting by the Members. Kindly note that each Member can opt for only one mode for voting i.e. either by Physical Ballot or by E-voting. However, in case members cast their vote both via physical ballot and e-voting, then voting through postal ballot shall prevail and voting done by e-voting shall be treated as invalid.



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

**Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 16<sup>th</sup> September, 2019 (9:00 am) and ends on 18<sup>th</sup> September, 2019 (5:00 pm). During this period members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 13<sup>th</sup> September, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
    - (i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put your user ID and password. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select “EVEN” of “FRONTLINE CORPORATION LIMITED ”-11466.
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [jalanalkesh@gmail.com](mailto:jalanalkesh@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

| <u><b>EVEN (Remote e-voting Event Number)</b></u> | <u><b>USER ID</b></u> | <u><b>PASSWORD/PIN</b></u> |
|---|-----------------------|----------------------------|
| <b>111466</b>                                     |                       |                            |

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

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

*In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID). In case Shareholders are holding shares in physical mode, USER-ID is the*

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*combination of (EVEN No+Folio No).*

- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 13<sup>th</sup> September, 2019.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 13<sup>th</sup> September, 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [Issuer/RTA](#).

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

- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Alkesh Jalan, Practicing Company Secretary (Membership No. 15677) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “remote e-voting” or “Ballot Paper” or “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.frontlinecorporation.org](http://www.frontlinecorporation.org) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai and Calcutta Stock Exchange

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You may also contact to Mr. Ramesh Nair, Bigshare Services Private Limited, A-802, Samudra Complex Near Klassic Gold Hotel, Girish Cold Drink, Off C G Road, Navrangpura, Ahmedabad Gujarat – 380009  
Phone No. -079-40024135, Mob. 7045115448  
web: [www.bigshareonline.com](http://www.bigshareonline.com)

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

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

Place: Ahmedabad  
Date: 23<sup>rd</sup> August, 2019

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

## ANNEXURE TO NOTICE

### Additional Information of Director recommended for appointment / re-appointment

*[Pursuant to the Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Revised Secretarial standard on General Meeting issued by the Institute of Company Secretaries of India]*

#### 1. Shri Ram Prasad Agarwala

|  |   |  |
|--|---|--|
| Director Identification Number (DIN)   | : | 00060359   |
| Nationality  | : | Indian   |
| Date of Birth  | : | 31.12.1954   |
| Age  | : | 65 Years   |
| Date of Appointment on the Board   | : | 04/12/1989   |
| Qualification  | : | Commerce Graduate  |
| Nature of Expertise in functional areas  | : | He has expertise in transportation and trading of Coal and Coke  |
| Terms and Conditions of Appointment / Re-appointment                                       | : | Liable to retire by rotation in accordance with the provision of the Companies Act, 2013 and Articles of Association of Company.                                   |
| Details of remuneration sought to be paid  | : | NIL  |
| Last drawn remuneration  | : | NIL  |
| Shareholding in the Company as on March 31, 2019   | : | 388722 Equity Shares   |
| Relationship with other Directors / Key Managerial Personnel                               | : | Mr. Pawankumar Agarwal and Mr. Narayan Prasad Agarwal are brother of Mr. Ramprasad Agarwala. Further Mr. Saurabh Jhunjhunwala is the son of Mr. Ramprasad Agarwala |
| Number of meetings of the Board attended during the year                                   | : | 2  |
| Directorships of other Boards as on March 31, 2019 ( Excluding Private Limited Companies ) | : | 1. Prima Financial Services Limited<br>2. Frontline Industries Limited<br>3. Fairdeal Supplies Limited   |
| Membership / Chairmanship* of Committees of other Boards as on March 31, 2019              | : | Nil  |

#### 2. Shri Saurabh Jhunjhunwala

|                                      |   |          |
|--------------------------------------|---|----------|
| Director Identification Number (DIN) | : | 00060432 |
|--------------------------------------|---|----------|

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|  |   |   |
|--|---|---|
| Nationality  | : | Indian  |
| Date of Birth  | : | 11.01.1976  |
| Age  | : | 43 years  |
| Date of Appointment on the Board   | : | 01.12.1999  |
| Qualification  | : | B. Com  |
| Nature of Expertise in functional areas  | : | Shri Saurabh Jhunjunwala aged about 40 years is a Commerce Graduate having about 20 years of experience in administration. He is the son of Shri Ramprasad Agarwala. He is looking after the day-to-day management of Kolkata Office. |
| Terms and Conditions of Appointment / Re-appointment                                       | : | Liable to retire by rotation  |
| Details of remuneration sought to be paid  | : | NIL   |
| Last drawn remuneration  | : | NIL   |
| Shareholding in the Company as on March 31, 2019   | : | 105440  |
| Relationship with other Directors / Key Managerial Personnel                               | : | Mr. Ramprasad Agarwal is the father of Mr. Saurabh Jhunjunwala  |
| Number of meetings of the Board attended during the year                                   | : | 6   |
| Directorships of other Boards as on March 31, 2019 ( Excluding Private Limited Companies ) | : | Fairdeal Supplies Ltd   |
| Membership / Chairmanship* of Committees of other Boards as on March 31, 2019              | : | Nil   |

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**Explanatory Statement pursuant to Section 173 of the Companies Act, 2013:**

**Item No. 5**

Pursuant to the amended Section 185 of the Companies Act, 2013 and rules framed there under from time to time, it empowers the Board of Directors to grant loans or provide guarantee or security for the loans availed or to be availed by the following Bodies Corporate in which the Directors of the Company namely Mr. Pawankumar Agarwal, Mr. Ramprasad Agarwal, Mr. Narayan Prasad Agarwal and Mr. Saurabh Jhunjhunwala are interested either directly or indirectly.

- a. Bajrang Refractories Private Limited
- b. Fairdeal Supplies Limited.
- c. Shiv Shakti Steels Private Limited
- d. Falgun Export Private Limited
- e. Prima Financial Services Limited

The details of Shareholding in the above mentioned Bodies Corporate to the extent to which the Directors of the Company are interested is as under :

| <b>Shareholding And % Of Total Holding As On 31.3.2019</b> |                                      |   |                            |       |                                    |       |                               |       |                                  |       |
|--|--------------------------------------|---|----------------------------|-------|------------------------------------|-------|-------------------------------|-------|----------------------------------|-------|
| Name Of Shareholder  | Bajrang Refractories Private Limited |   | Fairdeal Supplies Limited. |       | Shiv Shakti Steels Private Limited |       | Falgun Export Private Limited |       | Prima Financial Services Limited |       |
|  | Shareholding                         | % | Shareholding               | %     | Shareholding                       | %     | Shareholding                  | %     | Shareholding                     | %     |
| Ram Prasad Agarwala  | 0                                    | 0 | 202806                     | 10.14 | 0                                  | 0     | 2952                          | 0.14  | 113100                           | 12.56 |
| Narayan Prasad Agarwala                                    | 0                                    | 0 | 64758                      | 3.23  | 0                                  | 0     | 5427                          | 0.26  | 138100                           | 15.34 |
| Pawan Kumar Agarwala                                       | 0                                    | 0 | 33466                      | 1.67  | 0                                  | 0     | 93774                         | 4.54  | 138300                           | 15.36 |
| Rewa Devi Jhunjhunwala                                     | 0                                    | 0 | 20046                      | 1.00  | 0                                  | 0     | 24139                         | 1.16  | 26000                            | 2.89  |
| Mukund Jhunjhunwala  | 0                                    | 0 | 87922                      | 4.39  | 0                                  | 0     | 24100                         | 1.16  | 24500                            | 2.72  |
| Bhagwani Devi Agarwala                                     | 0                                    | 0 | 100                        | 0.00  | 0                                  | 0     | 27962                         | 1.35  | 26100                            | 2.90  |
| Saurabh Jhunjhunwala                                       | 0                                    | 0 | 103114                     | 5.15  | 0                                  | 0     | 70883                         | 3.43  | 27900                            | 3.10  |
| Gaurav Jhunjhunwala  | 0                                    | 0 | 66072                      | 3.30  | 10,28,000                          | 23.99 | 94319                         | 4.56  | 26000                            | 2.89  |
| Renu Devi Jhunjhunwala                                     | 0                                    | 0 | 64287                      | 3.21  | 0                                  | 0     | 4879                          | 0.23  | 26000                            | 2.89  |
| Narayan Prasad Agarwala & Sons (Huf)                       | 0                                    | 0 | 30000                      | 1.50  | 0                                  | 0     | 88569                         | 4.28  | 26000                            | 2.89  |
| Hansa Agarwala   | 0                                    | 0 | 97207                      | 4.86  | 0                                  | 0     | 24869                         | 1.20  | 28600                            | 3.18  |
| Ram Prasad Agarwala & Sons (Huf)                           | 0                                    | 0 | 75000                      | 3.75  | 0                                  | 0     | 74950                         | 3.63  | 51000                            | 5.66  |
| Ram Prasad Agarwala - Karta Of BNA & Sons (HUF)            | 0                                    | 0 | 0                          | 0     | 0                                  | 0     | 137283                        | 6.64  | 0                                | 0     |
| Fair Deal Supplies Ltd.                                    | 0                                    | 0 | 0                          | 0     | 0                                  | 0     | 578324                        | 28.01 | 0                                | 0     |

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|                                |   |   |        |      |   |   |       |      |       |      |
|--------------------------------|---|---|--------|------|---|---|-------|------|-------|------|
| Shilpi Jhunjunwala             | 0 | 0 | 2500   | 0.12 | 0 | 0 | 23819 | 1.15 | 26000 | 2.89 |
| Raja Jhunjunwala               | 0 | 0 | 180500 | 9.02 | 0 | 0 | 67167 | 3.25 | 25000 | 2.78 |
| Lalitadevi Shyamsunder Murarka | 0 | 0 | 0      | 0    | 0 | 0 | 0     | 0    | 0     | 0    |
| Shyam Sundar Murarka           | 0 | 0 | 0      | 0    | 0 | 0 | 0     | 0    | 0     | 0    |
| Jitendra Shyamsundar Murarka   | 0 | 0 | 0      | 0    | 0 | 0 | 0     | 0    | 0     | 0    |
| Dipak Shyamsundar Murarka      | 0 | 0 | 0      | 0    | 0 | 0 | 0     | 0    | 0     | 0    |
| Manju Choudhury                | 0 | 0 | 0      | 0    | 0 | 0 | 0     | 0    | 0     | 0    |
| Bajnath Agarwal & Sons         |   |   | 160500 | 8.02 |   |   |       |      | 26000 | 2.89 |

Bajrang Refractories Private Limited is a Company in which relative of Mr. Pawankumar Agarwal, Mr. Ramprasad Agarwala and Mr. Narayan Prasad Agarwal is a Director.

Fairdeal Supplies Limited is a Company in which Mr. Pawankumar Agarwal, Mr. Ramprasad Agarwal, Mr. Narayan Prasad Agarwal and Mr. Saurabh Jhunjunwala are Directors also

Shiv Shakti Steel Private Limited is a Company in which Mr. Gaurav Jhunjunwala holds 23.99 % of total Capital. Mr. Gaurav Jhunjunwala is the son of Mr. Ramprasad Agarwala. Further he is the brother of Mr. Saurabh Jhunjunwala. Mr. Pawankumar Agarwal and Mr. Narayan Prasad Agarwal are the uncle of Mr. Gaurav Jhunjunwala.

Falgun Export Private Limited is a Company in which Mr. Pawankumar Agarwal, Mr. Ramprasad Agarwala, Mr. Narayan Prasad Agarwal and Mr. Saurabh Jhunjunwala are Directors also.

Prima Financial Services Limited is a Company in which Mr. Pawankumar Agarwal, Mr. Ramprasad Agarwala and Mr. Narayan Prasad Agarwal are Directors also.

Since Prior approval of the members is required for grant of loans or providing guarantee or providing security for the loans availed or to be availed by the Bodies Corporate in which the Directors of the Company are interested, either directly or indirectly, the proposed Special resolution is put for the approval of the members.

Other Directors of the Company or other Key Managerial Personnel, other than stated above, are not interested.

The maximum amount of loans shall not exceed Rs. 100.00 Crores.

The Proposed Special resolution is put for the approval of the members.

**Item No. 6.**

The tenure of 1<sup>st</sup> term of Mr. Virendra Sharma as Independent Director expired on 31<sup>st</sup> March, 2019. Pursuant to the provision of the Companies Act, 2013 and of the rules made there under, Mr. Virendra Sharma can be reappointed as independent Director for another term of five years upon passing of Special Resolution.

Consent of the Members of the Company is hereby sought for the appointment of Mr. Virendra Sharma upto 31<sup>st</sup> March, 2024.



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The Company has received requisite declaration from Mr. Virendra Sharma pursuant to Section 149 of the Companies Act, 2013 and other applicable provision of the Companies Act, 2013. Mr. Virendra Sharma has consented to act as an Independent Director of the Company, if appointed.

Mr. Virendra Sharma shall not be liable to retire by rotation.

Additional Information of Director recommended for appointment / re-appointment

*[Pursuant to the Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Revised Secretarial standard on General Meeting issued by the Institute of Company Secretaries of India]*

|  |   |  |
|--|---|--|
| Director Identification Number (DIN)   | : | 01148786   |
| Nationality  | : | Indian   |
| Date of Birth  | : | 31.12.1954   |
| Age  | : | 64 years   |
| Date of Appointment on the Board   | : | 17 <sup>th</sup> December, 1996  |
| Qualification  | : | B.A.   |
| Nature of Expertise in functional areas  | : | He has expertise in administration of the affairs of the Company.  |
| Terms and Conditions of Appointment / Re-appointment                                       | : | Mr. Virendra Sharma was appointed as Independent Director for term upto 31 <sup>st</sup> March, 2019. It is proposed to reappoint Mr. Virendra Sharma upto 31 <sup>st</sup> March, 2024. |
| Details of remuneration sought to be paid  | : | NIL  |
| Last drawn remuneration  | : | NIL  |
| Shareholding in the Company as on March 31, 2019   | : | NIL  |
| Relationship with other Directors / Key Managerial Personnel                               | : | None of the Director / Key Managerial Personnel are related to Mr. Virendra Sharma.  |
| Number of meetings of the Board attended during the year                                   | : | 5  |
| Directorships of other Boards as on March 31, 2019 ( excluding Private Limited Companies ) | : | NIL  |
| Membership / Chairmanship* of Committees of other Boards as on March 31, 2019              | : | NIL  |

The Board recommends the passing of Special Resolution.

**Item No. 7:**

The tenure of 1<sup>st</sup> term of Mrs. Aarefa Kutub Kapasi as Independent Director will expire on 22<sup>nd</sup> March, 2020. Pursuant to the provision of the Companies Act, 2013 and of the rules made there under, Mrs. Aarefa Kutub Kapasi can be reappointed as independent Director for another term of five years upon passing of Special Resolution.

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Consent of the Members of the Company is hereby sought for the appointment of Mrs. Aarefa Kutub Kapasi upto 21<sup>st</sup> March, 2025.

The Company has received requisite declaration from Mrs. Aarefa Kutub Kapasi pursuant to Section 149 of the Companies Act, 2013 and other applicable provision of the Companies Act, 2013. Mrs. Aarefa Kutub Kapasi has consented to act as an Independent Director of the Company, if appointed.

Mrs. Aarefa Kutub Kapasi shall not be liable to retire by rotation.

Additional Information of Director recommended for appointment / re-appointment

*[Pursuant to the Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Revised Secretarial standard on General Meeting issued by the Institute of Company Secretaries of India]*

|  |   |   |
|--|---|---|
| Director Identification Number (DIN)   | : | 07127418  |
| Nationality  | : | India   |
| Date of Birth  | : | 20 <sup>th</sup> October, 1991  |
| Age  | : | 28 years  |
| Date of Appointment on the Board   | : | 23 <sup>rd</sup> March, 2015  |
| Qualification  | : | Company Secretary   |
| Nature of Expertise in functional areas  | : | She has good knowledge in accounts, finance, company law matters  |
| Terms and Conditions of Appointment / Re-appointment                                       | : | She was appointed by the Board of Directors on 23/03/2015 for a period of five years upto 22 <sup>nd</sup> March, 2020. It is proposed to reappoint her for another term of five years upto 21 <sup>st</sup> March, 2025. |
| Details of remuneration sought to be paid  | : | Nil   |
| Last drawn remuneration  | : | Nil   |
| Shareholding in the Company as on March 31, 2019   | : | Nil   |
| Relationship with other Directors / Key Managerial Personnel                               | : | None of the Directors or Key Managerial Personnel are related with Aarefa Kutub Kapasi.   |
| Number of meetings of the Board attended during the year                                   | : | 5   |
| Directorships of other Boards as on March 31, 2019 ( excluding Private Limited Companies ) | : | 1   |
| Membership / Chairmanship* of Committees of other Boards as on March 31, 2019              | : | Member of Audit Committee of Eureka Industries Limited.<br>Member of Stakeholders Committee of Eureka Industries Limited<br>Member of Nomination and Remuneration Committee of Eureka Industries Limited.                 |

The Board recommends the passing of Special Resolution.

**Item No. 8**

Mr. Rajesh Vasantlal Tripathi ( DIN : 08362877 ) who was appointed as an Additional Director by the Board of Directors of the Company with effect from 8<sup>th</sup> March, 2019 as an Independent Director of the Company. Pursuant to the provision of the Companies Act, 2013 Mr. Rajesh Vasantlal Tripathi holds office upto the date of annual general meeting of the Company. It is proposed to appoint Mr. Rajesh Vasantlal Tripathi for a period of five years from 8<sup>th</sup> March, 2019 as an Independent Director not liable to retire by rotation.

Consent of the Members of the Company is hereby sought for the appointment of Mr. Rajesh Vasantlal Tripathi upto 7<sup>th</sup> March, 2024.

The Company has received requisite declaration from Mr. Rajesh Vasantlal Tripathi pursuant to Section 149 of the Companies Act, 2013 and other applicable provision of the Companies Act, 2013. Mr. Rajesh Vasantlal Tripathi has consented to act as an Independent Director of the Company, if appointed.

Mr. Rajesh Vasantlal Tripathi shall not be liable to retire by rotation.

Additional Information of Director recommended for appointment / re-appointment

*[Pursuant to the Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Revised Secretarial standard on General Meeting issued by the Institute of Company Secretaries of India]*

|  |   |   |
|--|---|---|
| Director Identification Number (DIN)   | : | 08362877  |
| Nationality  | : | India   |
| Date of Birth  | : | 30 <sup>th</sup> September, 1971  |
| Age  | : | 48 years  |
| Date of Appointment on the Board   | : | 8 <sup>th</sup> March, 2019   |
| Qualification  | : | 12 <sup>th</sup> Pass   |
| Nature of Expertise in functional areas  | : | He has experience in marketing, printing and administration matters.  |
| Terms and Conditions of Appointment / Re-appointment                                       | : | He was appointed by the Board of Directors on 08/03/2019. It is proposed to appoint him as an Independent Director for a period of five years upto 7 <sup>th</sup> March, 2024. |
| Details of remuneration sought to be paid  | : | Nil   |
| Last drawn remuneration  | : | Nil   |
| Shareholding in the Company as on March 31, 2019   | : | Nil   |
| Relationship with other Directors / Key Managerial Personnel                               | : | None of the Directors or Key Managerial Personnel are related with Mr. Rajesh Vasantlal Tripathi.   |
| Number of meetings of the Board attended during the year                                   | : | 1   |
| Directorships of other Boards as on March 31, 2019 ( excluding Private Limited Companies ) | : | Nil   |

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|   |   |     |
|---|---|-----|
| Membership / Chairmanship* of Committees of other Boards as on March 31, 2019 | : | Nil |
|---|---|-----|

**Item No. 9**

Mr. Sanket Dipkbhai Sheth ( DIN : 08405839 ) who was appointed as an Additional Director by the Board of Directors of the Company with effect from 29<sup>th</sup> March, 2019 as an Independent Director of the Company. Pursuant to the provision of the Companies Act, 2013 Mr. Sanket Dipkbhai Sheth holds office upto the date of annual general meeting of the Company. It is proposed to appoint Mr. Sanket Dipkbhai Sheth for a period of five years from 29<sup>th</sup> March, 2019 as an Independent Director not liable to retire by rotation.

Consent of the Members of the Company is hereby sought for the appointment of Mr. Sanket Dipkbhai Sheth upto 28<sup>h</sup> March, 2024.

The Company has received requisite declaration from Mr. Sanket Dipkbhai Sheth pursuant to Section 149 of the Companies Act, 2013 and other applicable provision of the Companies Act, 2013. Mr. Sanket Dipkbhai Sheth has consented to act as an Independent Director of the Company, if appointed.

Mr. Sanket Dipkbhai Sheth shall not be liable to retire by rotation.

Additional Information of Director recommended for appointment / re-appointment

*[Pursuant to the Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Revised Secretarial standard on General Meeting issued by the Institute of Company Secretaries of India]*

|  |   |  |
|--|---|--|
| Director Identification Number (DIN)                         | : | 08405839   |
| Nationality  | : | India  |
| Date of Birth  | : | 23/08/1987   |
| Age  | : | 32 years   |
| Date of Appointment on the Board                             | : | 29 <sup>th</sup> March, 2019   |
| Qualification  | : | B.com  |
| Nature of Expertise in functional areas                      | : | He has experience in Stock market trading, marketing and administration matters.   |
| Terms and Conditions of Appointment / Re-appointment         | : | He was appointed by the Board of Directors on 29/03/2019. It is proposed to appoint him as an Independent Director for a period of five years upto 28 <sup>th</sup> March, 2024. |
| Details of remuneration sought to be paid                    | : | Nil  |
| Last drawn remuneration                                      | : | Nil  |
| Shareholding in the Company as on March 31, 2019             | : | Nil  |
| Relationship with other Directors / Key Managerial Personnel | : | None of the Directors or Key Managerial Personnel are related with Mr. Sanket Dipkbhai Sheth .   |

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|  |   |     |
|--|---|-----|
| Number of meetings of the Board attended during the year                                   | : | Nil |
| Directorships of other Boards as on March 31, 2019 ( excluding Private Limited Companies ) | : | Nil |
| Membership / Chairmanship* of Committees of other Boards as on March 31, 2019              | : | Nil |

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

Place: Ahmedabad  
Date: 23/08/2019

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

## Directors' Report

To  
The Members,  
**Frontline Corporation Limited**

Your Directors have pleasure in presenting their 30<sup>th</sup> Annual report along with Audited Accounts for the year ended on March 31, 2019.

| <b>Financial Performance and Appropriations :</b>                         | ( Rs in Lacs )<br>Current Year<br>ended on<br>31-03-2019 | ( Rs in Lacs )<br>Current Year<br>ended on<br>31-03-2018 |
|---|--|--|
| Revenue from Operations   | 4655.81  | 4425.29  |
| Other Income  | 268.97   | 441.98   |
| Total Income  | 4924.78  | 4867.28  |
| Finance Charges   | 58.93  | 57.92  |
| Depreciation  | 192.13   | 148.67   |
| Profit /( Loss) before Taxation &<br>Exceptional and Extra Ordinary Items | (51.38)  | 232.34   |
| Exceptional Items   | 0  | 0  |
| Profit / ( Loss ) before Tax  | (51.38)  | 232.34   |
| Provision for Taxes – Current   | 0  | 52.50  |
| Provision for Taxes – Deferred  | (17.99)  | (12.63)  |
| Income Tax – Earlier Period   | 0  | 0  |
| Profit /( Loss) for the year from continuing operations                   | (33.39)  | 192.48   |
| Other comprehensive Income ( Net of Tax )                                 | 1.41   | (0.47)   |
| Total Comprehensive Income  | (31.97)  | 192.00   |
| <b>Appropriations</b>   |  |  |
| Opening Balance of Retained Earnings                                      | 237.92   | 45.92  |
| Comprehensive Profit/ ( Loss) for the year                                | (33.30)  | 192.00   |
| Remeasurement benefit of defined plans (Net)Dividend                      | 1.41   | (0.47)   |
| Balance Carried to Balance-Sheet  | 206.03   | 237.92   |

### Notes:

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

### Reserves and Surplus :

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The Opening Balance of Retained Earnings is Rs 237.92 lacs. The Company has transferred the whole of the Comprehensive Income of Rs. (33.30) lacs to Retained Earnings. Remeasurement of defened benefit plans net is Rs. 1.41 lacs. The Closing Balance of the Retained Earnings stands at Rs. 206.03 lacs.

**Dividend :**

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

**Review Of Operations:**

Total Income has increased from Rs. 4867.28 lacs to Rs. 4924.78 lacs which is approximately increase of 1.18%. The financial charges has increased from Rs. 57.92 lacs to Rs. 58.93 lacs which is approximately increase of 1.74%.

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

**Change in Nature of Company Business:**

The Company is engaged in the business of transportation, wind energy, trading of automotive parts and renting of immovable properties. The Company has added Petroleum distribution to its business objects during the year. Other than this there is no change in nature of Company Business.

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

Appointments :

Mr. Rajesh Vasantlal Tripathi was appointed as Additional Director on 8<sup>th</sup> March, 2019.  
Mr. Sanket Dipakbhai Sheth was appointed as Additional Director on 29<sup>th</sup> March, 2019.

Resignation and Cessation:

Mr. Jiwraj Khaitan has expired on 28<sup>th</sup> September, 2018.  
Mr. Sital Kumar Banerjee has resigned on 28<sup>th</sup> March, 2019.

Other than above no Directors / Key Managerial Personnel were appointed or have resigned during the year under the review.

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

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

**Deposit:**

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

**Deposit accepted from Directors**

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Pursuant to Provisions of Rule 2 ( 1 ) ( c ) ( viii ) of the Companies ( Acceptance of Deposit ) Rules, 2014 no amount is outstanding as on 31<sup>st</sup> March, 2019 from the Directors of the Company in the financial year.

**Inter Corporate Deposit**

Further an amount of Rs. 60.78 lacs was outstanding towards Inter Corporate Deposit at the end of the financial year.

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

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

**Internal Financial Controls:**

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

**INSURANCE:**

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

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

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

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss of the Company for that period.
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The Directors have prepared the annual accounts on a going concern basis.
- (e) The Directors have laid down internal financial controls as required by Explanation to Section 134(5) (e) of the Act to be followed by the Company and such internal financial controls are adequate and are operating effectively.
- (f) The Directors have devised proper systems to ensure compliance with the provisions of applicable laws and such systems are adequate and operating effectively.

**PARTICULARS OF EMPLOYEES:**

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

**Cost Audit:**



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The Company is not required to conduct Cost audit during the year. The Company is not required to file Cost audit report during the year under review.

**LISTING:**

The Equity Shares of the Company are listed on BSE Limited and Calcutta Stock Exchange. The Company is regular in payment of listing fees. The Company has paid the listing fees for the year 2019 – 2020.

**AUDITORS AND AUDITORS REPORT:**

It is proposed to appoint S M PANSURIYA & CO., Chartered Accountants, Ahmedabad at the conclusion of the annual general meeting for the year 2019 for a period of five years. The Company has received a letter from S M PANSURIYA & CO., ( firm Registration No. 126729W ) Chartered Accountants, Ahmedabad granting consent to act as Statutory auditor of the Company and also confirming their eligibility to act Statutory auditor of the Company.

The existing term of M/s. Paresh Thothawala & Co., Chartered Accountants concludes at the annual general meeting for the year 2019.

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

The auditors observations and its reply are as under :

**Basis for Qualified Opinion**

1. Note No. 22 to the standalone financial results, regarding Non provision of interest of Rs. 549.64 Lacs on NPA accounts for the year under consideration The exact amounts of the said non provisions of interest are not determined and accounted for by the Company and to that extent Bankers loan liabilities are understated and loss is understated.

**Reply:**

The interest provision on loan of Punjab and Sindh Bank has not been accounted due to legal dispute. The Honourable Calcutta High Court larger Bench has ruled in favor of the Company. However the Bank has preferred an appeal to the Honourable Supreme Court of India. The matter pending before legal forum and hence the same is not accounted for.

2. Note No. 16 to the standalone financial results, regarding uncertainties relating to recoverability of loans & advances given to M/s. Gateway Commodities (P) Ltd. amounting to Rs. 5,14,01,172/- (Previous year Rs. Rs. 5,36,44,817/-) and Non Provision of interest @ 9% of Rs. 46,93,172/- as at 31st March, 2019. The management has explained that such advances have been given in the normal course of business. The management, based on internal assessments and evaluations, have represented that the balance outstanding advances are still recoverable/ adjustable and that no accrual for diminution of advances is necessary as at balance sheet date and the aforementioned balances are fully recoverable. However, we are unable to ascertain whether all the remaining outstanding advances, as above, are fully recoverable / adjustable since the outstanding balances as at balance sheet date are outstanding for a long period of time. In the absence of sufficient appropriate evidence we are unable to comment upon the carrying value of these loans & advances and recoverability of the aforesaid dues and the consequential impact if any on the accompanying standalone financial statements. Our audit opinion on the standalone financial statements for the year ended 31 March 2019 was also qualified in respect of this matter.

Reply :

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

3. Note No. 5 to the standalone financial statements regarding taking physical and/ or symbolical possession and initiating auction process on various assets by lenders; however the company has received stay order against these proceedings and matter is sub-judicial till date. The management has not performed any impairment assessment for these assets. Accordingly we are unable to ascertain the appropriateness of the carrying value of these assets and consequential impact if any on the accompanying standalone financial statements. Our audit opinion on the standalone financial statements for the year ended 31 March 2019 was also qualified in respect of this matter.

Reply to above Qualifications : In reply to the above mentioned qualification your Directors state that the attachment of properties by the Bank is a legal process and the Company is taking all legal steps to protect the property. The Properties were given as security for the loan availed by Fairdeal Supplies Limited. Fairdeal Supplies Limited has reached an Settlement agreement with UCO Bank and also with The Jammu and Kashmir Bank Limited. Consequent upon the payment of the settlement amount with Banks, the Company expects to release the property.

4. Note No. 35.8 to the standalone financial statements regarding Corporate guarantee given against credit facilities availed by an associate concern and non-compliance of prescribed section under the provisions of the erstwhile Companies Act 1956/ Companies Act 2013 respectively and for which the Company has filed an application with respective authority; however approval in this regard is pending till date. Due to uncertain consequence in this matter we are unable to identify impact if any on standalone financial statement, our audit opinion is qualified.

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

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

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

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

### **CORPORATE GOVERNANCE:**

Pursuant to SEBI ( Listing Obligations and Disclosure Requirements ) Regulations, 2015 Management Discussion & Analysis, Corporate Governance Report and Auditor's Certificate regarding compliance to conditions of corporate governance are made part of this Annual Report. The Management Discussion and Analysis which is attached herewith and forms part of the report and which is attached as Annexure VII and the Corporate Governance Report which is attached herewith and forms part of the report and which is attached as Annexure VIII.

### **Related Party Transactions**

All related party transactions that were entered into during the year under report were on an arm's length basis and in the ordinary course of business. There are no materially significant related party

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transactions made by the Company during the year. Related Party Transactions Policy is available on the website of the Company at [www.frontlinecorporation.org](http://www.frontlinecorporation.org). The details of transactions with the related party is provided in . No advance is / was paid for entering into related party transactions. The prices paid to the related party transactions are based on the ruling market rate at the relevant point of time. The requisite details in form AOC – 2 is attached herewith as **Annexure - II** which forms part of the Directors Report

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

The details of the investments and loans provided are mentioned in note no. 12 and 16 of the Balance Sheet. Members are requested to refer the same. Further with respect to loans / investment to and from the related parties are more detailed in note no. 35.5 of the Balance Sheet.

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

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

Pursuant to Securities and Exchange Board of India (SEBI) has introduced SEBI (Prohibition of Insider Trading) Regulations, 2015 a new Code of Conduct was adopted by the Company with effect from 1<sup>st</sup> April, 2019. The Company has also adopted a policy and procedure for enquiry in case of leak of sensitive and unpublished price information. The Company has instituted a comprehensive code of conduct in compliance with the SEBI regulations on prevention of insider trading. The code lays down guidelines, which advise on procedures to be followed and disclosures to be made, while dealing in shares of the Company and cautions on the consequences of non-compliances. The Code is also available on the website of the Company i.e. [www.frontlinecorporation.org](http://www.frontlinecorporation.org)

### **Risk Management Policy**

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

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

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

- (A) Mr. Virendra Sharma
- (B) Mr. Rajesh Vasantlal Tripathi
- (C) Mr. Sanket Dipakbhai Sheth
- (D) Mrs. Aarefa Kutub Kapasi

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

### **Extract of the Annual Return**

Pursuant to provision of Section 92 and 134 and other applicable provision of the Companies Act, 2013 and of Rule 12 (1) of Companies (Management and Administration) Rules, 2014 the extract of the annual return in form MGT 9 for the Financial Year ended on 31st March, 2019 is annexed as Annexure III to this Report.

**Number of Board Meetings**

During the year the Board of Directors met 10 times ( including adjourned meetings). The dates of the Board meetings are as under :

02.04.2018, 30.05.2018, 14.06.2018, 14.08.2018, 17.08.2018, 14.11.2018, 13.02.2019, 14.02.2019, 08.03.2019 and 29.03.2019

**Corporate Social Responsibility:**

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

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

The Company has in place an Anti-harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee are set up at shop floor level to redress complaints received regularly and are monitored by women line supervisors who directly report to the Chairman. All employees (permanent, contractual, temporary, trainees) are covered under the policy. There was no complaint received from any employee during the financial year 2018-19 and hence no complaint is outstanding as on 31.03.2019 for redressal.

The Company has constituted an internal complaint committee pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**SECRETARIAL STANDARDS:**

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

**SECRETARIAL AUDIT REPORT:**

Pursuant to Section 204 of the Act, the Secretarial Audit Report for the Financial Year ended 31st March, 2019 given by M/s. Jalan Alkesh & Associates, Practising Company Secretary is annexed as Annexure IV to this Report.

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

***A ) Non filing and / or Delayed filing of certain forms with the Ministry of Corporate Affairs required under the Companies Act, 2013. However for late filing of forms the Company has paid additional fees.***

Reply : The Company will take the necessary steps to ensure the due compliance of the law in time so that the Company do not have to pay additional fees for the same.

***B) The Company has given Security / Guarantee to the Bankers for the loans obtained by M/s. Fairdeal Supplies Limited in violation of erstwhile Companies Act, 1956 which is still continuing.***

Reply : The same is given in the auditors and auditors report herein above.

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- C) *Further with respect to the advances to M/s. Gateway Commodities Pvt. Ltd. we request the members to refer the Balance Sheet and the Statutory Auditors Report remarks. The advances to M/s. Gateway Commodities Private Limited were given under the erstwhile Companies Act, 1956.*

Reply : The same is given in the auditors and auditors report herein above.

- D) *There was delay in submission of results for the quarter ended on 30<sup>th</sup> June, 2018 and consequently the BSE has imposed penalty for the same.*
- E) *The quarter and year end results for the year ended on 31<sup>st</sup> March, 2018 were required to be submitted to the exchange latest by 30th May, 2018. However same was not declared in time and consequently BSE has imposed penalty for the same.*

**Reply for D and E :** Due to implementation of IND AS the delay has occurred. The year end results were delayed as due to implementation of the Indian Accounting Standard and consequently this being the 1<sup>st</sup> year the Company will take adequate steps in advance for the compliance of the same The Company has taken necessary steps in this regard and will take care that in future the delay does not occur.

#### **ANNUAL PERFORMANCE EVALUATION:**

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

##### **Board:**

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

##### **Committees of the Board:**

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

##### **Individual Directors:**

(a) **Independent Directors:** In accordance with the criteria suggested by The Nomination and Remuneration Committee, the performance of each independent director was evaluated by the entire Board of Directors (excluding the director being evaluated) on various parameters like engagement, leadership, analysis, decision making, communication, governance and interest of stakeholders. The Board was of the unanimous view that each independent director was a reputed professional and brought his/her rich experience to the deliberations of the Board. The Board also appreciated the contribution made by all the independent directors in guiding the

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management in achieving higher growth and concluded that continuance of each independent director on the Board will be in the interest of the Company.

(b) **Non-Independent Directors:** The performance of each of the non-independent directors (including the chair person) was evaluated by the Independent Directors at their separate meeting. Further, their performance was also evaluated by the Board of Directors. The various criteria considered for the purpose of evaluation included leadership, engagement, transparency, analysis, decision making, functional knowledge, governance and interest of stakeholders. The Independent Directors and the Board were of the unanimous view that each of the non-independent directors was providing good business and people leadership

**POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION**

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

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

**MATERIAL CHANGES AND COMMITMENTS:**

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

**POLICIES:**

The various Policies required to be adopted by the Company pursuant to provision of the Companies Act, 2013 and SEBI ( Listing Obligations and Disclosure Requirements ) 2015 are placed upon the website of the Company i.e. [www.frontlinecorporation.org](http://www.frontlinecorporation.org)

**APPRECIATION:**

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

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

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

Place: Ahmedabad  
Date: 30/05/2019

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

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

**ANNEXURE I**

**TO THE DIRECTORS' REPORT**

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

**A. Conservation of Energy :**

| <b>Power &amp; Fuel Consumption :</b> | <b>Current Year</b> | <b>Previous Year</b> |
|---------------------------------------|---------------------|----------------------|
| <b>Electricity:</b>                   | <b>2018-19</b>      | <b>2017-2018</b>     |
| <b>i) Purchased:</b>                  |                     |                      |
| (a) Units                             | <b>NIL</b>          | <b>NIL</b>           |
| (b) Amount(₹ in Lacs)                 | <b>NIL</b>          | <b>NIL</b>           |
| (c) Units/per litre of Diesel         | <b>NIL</b>          | <b>NIL</b>           |
| Oil                                   |                     |                      |
| (d) Cost per unit (₹)                 | <b>NIL</b>          | <b>NIL</b>           |
| <b>ii) Own Generation:</b>            |                     |                      |
| (a) Units                             | <b>NIL</b>          | <b>NIL</b>           |
| (b) Amount(₹ in Lacs)                 | <b>NIL</b>          | <b>NIL</b>           |
| (c) Units/per litre of Diesel         | <b>NIL</b>          | <b>NIL</b>           |
| Oil                                   |                     |                      |
| (d) Cost per unit (₹)                 | <b>NIL</b>          | <b>NIL</b>           |
| <b>iii) Gas Consumption</b>           | <b>NIL</b>          | <b>NIL</b>           |

**Wind Mill Generation :**

During the year under review, the Company has generated 2380185 units ( previous year : 3535357 units )through wind mill through which it has generated net revenue of Rs. 127.49 Lacs/- ( Previous Year : 162.97 Lacs. )

**Energy Conservation measures taken:**

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

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

Nil.

**Impact of above measures:**

More efficient utilization of power and reduction in energy consumption.

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

Not Applicable or the particulars are nil.

**B. Research & Development:**

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

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

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

**Total foreign exchange used and earned: Nil ( Previous Year : Nil )**

**Foreign Exchange Exposures not hedged at the close of the year : Nil ( Previous Year : Nil )**



**Annexure II**

**FORM NO. AOC – 2**

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

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

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

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

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

| SL. No. | Particulars  | Details of transactions  |
|---------|--|--|
| a)      | Name (s) of the related party & nature of relationship | <p>The Company has entered into transactions with M/s. Fairdeal ( a partnership firm ) and M/s. Scientific Weigh Bridge and Auto Parts ( a partnership firm )</p> <p>[ The % of Profit and Loss Sharing ratio of the Partners in M/s. Fairdeal is 1) Ramprasad Agarwal – 34%, 2) Narayan Prasad Agarwal – 33%, 3) Mr. Pawankumar Agarwal – 17% and 4) Mrs. Hansaben Pawankumar Agarwal 16%.</p> <p>The % of Profit and Loss Sharing ratio of the Partners in . M/s. Scientific Weigh Bridge and Auto Parts is 1) Ms. Renudevi Jhunhunwala, wife of Director Mr. Ramprasad Agarwal – 32%, 2) Rewadevi Jhunhunwala, wife of Director Mr. Narayan Prasad Agarwal – 32% and 3) Hansaben Pawankumar Agarwal, wife of Director, Mr. Pawankumar Agarwal – 31% and 4) Mr. Pawankumar Agarwal – 5%.</p> <p>The Company also entered into rental agreements with M/s. Fairdeal Supplies Limited, Ramprasad Agrawal, Narayan Prasad Agrawal, Pawankumar Agrawal and Baijnath and Sons, HUF.</p> |

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|         |   | <p>In respect of the above entities Mr. Pawankumar Agarwal, Mr. Narayan Prasad Agarwal, Mr. Ramprasad Agarwal and Mr. Saurabh Jhunjunwala is / are interested directly and indirectly.</p> <p>The Company has also entered into transaction for Sale of Services with Shiv Shakti Steels Private Limited. Shiv Shakti Steels Private Limited, a Company in which Directors of the Company namely Mr. Ramprasad Agarwal and Saurabh Jhunjunwala are interested directly, or through his relatives.</p> <p>The details of Shares held by the Directors and their relatives in Shiv Shakti Steel Private Limited as at 31<sup>st</sup> March, 2019:</p> <table border="1" data-bbox="831 835 1408 1199"> <thead> <tr> <th>Sr. No.</th> <th>Name of Shareholder</th> <th>Number of Equity Shares held</th> <th>% of total Paid up Capital</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Gaurav Jhunjunwala</td> <td>10,28,000</td> <td>23.99</td> </tr> <tr> <td></td> <td><b>Total</b></td> <td><b>10,28,000</b></td> <td><b>23.99</b></td> </tr> </tbody> </table> | Sr. No.                    | Name of Shareholder | Number of Equity Shares held | % of total Paid up Capital | 1 | Gaurav Jhunjunwala | 10,28,000 | 23.99 |  | <b>Total</b> | <b>10,28,000</b> | <b>23.99</b> |
|---------|---|--|----------------------------|---------------------|------------------------------|----------------------------|---|--------------------|-----------|-------|--|--------------|------------------|--------------|
| Sr. No. | Name of Shareholder   | Number of Equity Shares held   | % of total Paid up Capital |                     |                              |                            |   |                    |           |       |  |              |                  |              |
| 1       | Gaurav Jhunjunwala  | 10,28,000  | 23.99                      |                     |                              |                            |   |                    |           |       |  |              |                  |              |
|         | <b>Total</b>  | <b>10,28,000</b>   | <b>23.99</b>               |                     |                              |                            |   |                    |           |       |  |              |                  |              |
| b)      | Nature of contracts/arrangements/transaction  | <p>The Company has entered into transactions of sale of goods with M/s. Fairdeal ( a partnership firm ) and M/s. Scientific Weigh Bridge and Auto Parts ( a partnership firm ).</p> <p>The Company also took property on rent / lease from M/s. Fairdeal Supplies Limited, Ramprasad Agrawal, Narayan Prasad Agrawal, Pawankumar Agrawal and Baijnath and Sons, HUF.</p> <p>The Company also gave its property on rent / lease to and from M/s. Fairdeal Supplies Limited.</p> <p>The Company has entered into transaction for sale of services and also for sale of assets with Shiv Shakti Steel Private Limited.</p>  |                            |                     |                              |                            |   |                    |           |       |  |              |                  |              |
| c)      | Duration of the contracts/arrangements/transaction  | Normally the lease / rent agreement is for the period of 11 months and 29 days and on its expiry the same is renewed from time to time.  |                            |                     |                              |                            |   |                    |           |       |  |              |                  |              |
| d)      | Salient terms of the contracts or arrangements or transaction including the value, if any : | To supply / purchase the goods / fixed assets required on need basis at arm's length. In respect of rental, the same is determined as per the rental agreement. The price is determined as per the prevailing market rate. The value of transactions with related parties is provided in the notes to the  |                            |                     |                              |                            |   |                    |           |       |  |              |                  |              |

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|    |   |  |
|----|---|--|
|    |   | accounts. Members are requested to refer the same. |
| e) | Date of approval by the Board, if any : | 02.04.2018   |
| f) | Amount paid as advances, if any :       | Nil  |

**Annexure III**  
**Form No.MGT-9**

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2019

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

**I. REGISTRATION AND OTHER DETAILS:**

|             |   |  |
|-------------|---|--|
| <b>i.</b>   | CIN   | L63090WB1989PLC099645  |
| <b>ii.</b>  | Registration Date   | 04/12/1989   |
| <b>iii.</b> | Name of the Company   | FRONTLINE CORPORATION LIMITED  |
| <b>iv.</b>  | Category/Sub-Category of the Company                                      | Company Limited by Shares/Non-Govt. Indian Company   |
| <b>v.</b>   | Address of the Registered office and contact details                      | 4, B.B.D. BAG (EAST), STEPHEN HOUSE, Room No. 5, 1 <sup>st</sup> Floor, Kolkata, West Bengal – 700 001<br>Tel: 033- 22301153<br>Email : frontlinecorporplimited@gmail.com              |
| <b>vi.</b>  | Whether listed company  | Yes  |
| <b>vii.</b> | Name, Address and Contact details of Registrar and Transfer Agent, if any | <b>Bigshare Services Private Limited,</b><br>A- 802 Samudra complex ,<br>Near Klassic Gold Hotel,<br>Girish Cold Drink off C G Road,<br>Ahmedabad-380009.<br>bssahd@bigshareonline.com |

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

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

| Sr. No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|---|----------------------------------|------------------------------------|
| 1       | Transportation                                  | 60                               | <b>36.84%</b>                      |
| 2       | Trading in Automotive Parts                     | 51                               | <b>51.23%</b>                      |

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



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|   |                |               |                |             |                |               |                |             |          |
|---|----------------|---------------|----------------|-------------|----------------|---------------|----------------|-------------|----------|
| b) Banks / FI   | -              | -             | -              | -           | -              | -             | -              | -           | -        |
| c) Central Govt   | -              | -             | -              | -           | -              | -             | -              | -           | -        |
| d) State Govt(s)  | -              | -             | -              | -           | -              | -             | -              | -           | -        |
| e) Venture Capital Funds  | -              | -             | -              | -           | -              | -             | -              | -           | -        |
| f) Insurance Companies  | -              | -             | -              | -           | -              | -             | -              | -           | -        |
| g) FIIs   | -              | -             | -              | -           | -              | -             | -              | -           | -        |
| h) Foreign Venture Capital Funds  | -              | -             | -              | -           | -              | -             | -              | -           | -        |
| i) Others (specify)   | -              | -             | -              | -           | -              | -             | -              | -           | -        |
| <b>Sub-total(B)(1)</b>  | -              | -             | -              | -           | -              | -             | -              | -           | -        |
| <b>2. Non Institutions</b>  |                |               |                |             |                |               |                |             |          |
| <b>a) Bodies Corp.</b>  |                |               |                |             |                |               |                |             |          |
| (i) Indian  | 1064918        | 22100         | 1087018        | 21.74       | 1260137        | 22100         | 1282237        | 25.64       | 3.9      |
| (ii) Overseas   |                |               |                |             |                |               |                |             |          |
| <b>b) Individuals</b>   |                |               |                |             |                |               |                |             |          |
| (i) Individual shareholders holding nominal share capital upto Rs. 2 lakh         | 300941         | 394800        | 695741         | 13.91       | 303934         | 407682        | 711616         | 14.23       | 3.9      |
| (ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 366911         | 463222        | 830133         | 16.6        | 173702         | 445342        | 619044         | 12.38       | 3.9      |
| b) Others(Specify) Clearing Members and NRI's                                     | 5540           | 0             | 5540           | 0.11        | 5535           | 0             | 5535           | 0.11        | 0        |
| <b>Sub-total(B)(2)</b>  | <b>1738310</b> | <b>880122</b> | <b>2618432</b> | <b>52.4</b> | <b>1743308</b> | <b>875124</b> | <b>2618432</b> | <b>52.4</b> | <b>0</b> |
| <b>Total Public Shareholding (B)=(B)(1)+</b>                                      | <b>1738310</b> | <b>880122</b> | <b>2618432</b> | <b>52.4</b> | <b>1743308</b> | <b>875124</b> | <b>2618432</b> | <b>52.4</b> | <b>0</b> |

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|   |                |               |                |            |                |               |                |            |          |
|---|----------------|---------------|----------------|------------|----------------|---------------|----------------|------------|----------|
| (B)(2)                                      |                |               |                |            |                |               |                |            |          |
| C. Shares held by Custodian for GDRs & ADRs | -              | -             | -              | -          | -              | -             | -              | -          | -        |
| <b>Grand Total (A+B+C)</b>                  | <b>4119878</b> | <b>880122</b> | <b>5000000</b> | <b>100</b> | <b>4124876</b> | <b>875124</b> | <b>5000000</b> | <b>100</b> | <b>-</b> |

*Share holding of Promoters*

| Shareholder's Name               | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in share holding during the year |
|----------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
|                                  | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |   |
| Ram Prasad Agarwala              | 388722                                    | 7.77                             | -  | 388722                              | 7.77                             | -  | -   |
| Pawan Kumar Agarwal              | 250266                                    | 5.01                             | -  | 250266                              | 5.01                             | -  | -   |
| Ram Prasad Agarwala,             | 234900                                    | 4.70                             | -  | 234900                              | 4.70                             | -  | -   |
| Gaurav Jhunjhunwala              | 194040                                    | 3.88                             | -  | 194040                              | 3.88                             | -  | -   |
| Hansa Agarwal                    | 171000                                    | 3.42                             | -  | 171000                              | 3.42                             | -  | -   |
| Falgun Export Private Limited    | 161900                                    | 3.24                             | -  | 161900                              | 3.24                             | -  | -   |
| Narayan Prasad Agarwala          | 145800                                    | 2.92                             | -  | 145800                              | 2.92                             | -  | -   |
| Bhagwani Devi Agarwala           | 138900                                    | 2.78                             | -  | 138900                              | 2.78                             | -  | -   |
| Manju Choudhury                  | 124900                                    | 2.50                             | -  | 124900                              | 2.50                             | -  | -   |
| Saurabh Jhunjhunwala             | 105440                                    | 2.11                             | -  | 105440                              | 2.11                             | -  | -   |
| Renu Devi Jhunjhunwala           | 91500                                     | 1.83                             | -  | 91500                               | 1.83                             | -  | -   |
| Narayan Prasad Agarwala,         | 38900                                     | 0.78                             | -  | 38900                               | 0.78                             | -  | -   |
| Prima Financial Services Limited | 35300                                     | 0.71                             | -  | 35300                               | 0.71                             | -  | -   |
| Rewa Devi Jhunjhunwala           | 251400                                    | 5.032                            | -  | 251400                              | 5.03                             | -  | -   |
| Mukund Jhunjhunwala              | 23800                                     | 0.48                             | -  | 23800                               | 0.48                             | -  | -   |
| Lalitadevi Shyamsunder           | 18700                                     | 0.37                             | -  | 18700                               | 0.37                             | -  | -   |
| Shilpi Jhunjhunwala              | 5100                                      | 0.10                             | -  | 5100                                | 0.10                             | -  | -   |
| Raja Jhunjhunwala                | 1000                                      | 0.02                             | -  | 1000                                | 0.02                             | -  | -   |

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|              |                |              |          |                |              |          |          |
|--------------|----------------|--------------|----------|----------------|--------------|----------|----------|
| <b>Total</b> | <b>2381568</b> | <b>47.63</b> | <b>-</b> | <b>2381568</b> | <b>47.63</b> | <b>-</b> | <b>-</b> |
|--------------|----------------|--------------|----------|----------------|--------------|----------|----------|

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

| Sr. no   |   | Shareholding at the beginning of the year ( 01.04.2018) |                                  | Cumulative Shareholding during the year ( 31.03.2019) |                                  |
|----------|---|---|----------------------------------|---|----------------------------------|
|          |   | No. of shares   | % of total shares of the company | No. of shares   | % of total shares of the company |
| <b>1</b> | <b>Narayan Prasad Agarwala, HUF</b>   |   |                                  |   |                                  |
|          | At the beginning of the year  | 38900   | 0.78                             |   |                                  |
|          | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0   | 0                                |   |                                  |
|          | At the End of the year  |   |                                  | 38900   | 0.78                             |
| <b>2</b> | <b>Rewa Devi Jhunjunwala</b>  |   |                                  |   |                                  |
|          | At the beginning of the year  | 251400  | 5.02                             |   |                                  |
|          | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0   | 0                                |   |                                  |
|          | At the End of the year  |   |                                  | 251400  | 5.0280                           |
| <b>3</b> | <b>Ram Prasad Agarwala</b>  |   |                                  |   |                                  |
|          | At the beginning of the year  | 388722  | 7.77                             |   |                                  |
|          | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /                           | 0   | 0                                |   |                                  |



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|          |   |        |      |        |      |
|----------|---|--------|------|--------|------|
|          | bonus/ sweat equity etc):   |        |      |        |      |
|          | At the End of the year  |        |      | 388722 | 7.77 |
|          |   |        |      |        |      |
| <b>4</b> | <b>Ram Prasad Agarwala, HUF</b>   |        |      |        |      |
|          | At the beginning of the year  | 234900 | 4.70 |        |      |
|          | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0      | 0    |        |      |
|          | At the End of the year  |        |      | 234900 | 4.70 |
|          |   |        |      |        |      |
| <b>5</b> | <b>Gaurav Jhunjunwala</b>   |        |      |        |      |
|          | At the beginning of the year  | 194040 | 3.88 |        |      |
|          | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0      | 0    |        |      |
|          | At the End of the year  |        |      | 194040 | 3.88 |
|          |   |        |      |        |      |
| <b>6</b> | <b>Hansa Agarwal</b>  |        |      |        |      |
|          | At the beginning of the year  | 171000 | 3.42 |        |      |
|          | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0      | 0    |        |      |
|          | At the End of the year  |        |      | 171000 | 3.42 |
|          |   |        |      |        |      |
| <b>7</b> | <b>Falgun Export Private Limited</b>  |        |      |        |      |
|          | At the beginning of the year  | 161900 | 3.24 |        |      |
|          | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /                           | 0      | 0    |        |      |

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|           |   |        |      |        |      |
|-----------|---|--------|------|--------|------|
|           | bonus/ sweat equity etc):   |        |      |        |      |
|           | At the End of the year  |        |      | 161900 | 3.24 |
|           |   |        |      |        |      |
| <b>8</b>  | <b>Narayan Prasad Agarwala</b>  |        |      |        |      |
|           | At the beginning of the year  | 145800 | 2.92 |        |      |
|           | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0      | 0    |        |      |
|           | At the End of the year  |        |      | 145800 | 2.92 |
|           |   |        |      |        |      |
| <b>9</b>  | <b>Bhagwani Devi Agarwala</b>   |        |      |        |      |
|           | At the beginning of the year  | 138900 | 2.78 |        |      |
|           | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0      | 0    |        |      |
|           | At the End of the year  |        |      | 138900 | 2.78 |
|           |   |        |      |        |      |
| <b>10</b> | <b>Mr.Pawan Kumar Agarwal</b>   |        |      |        |      |
|           | At the beginning of the year  | 250266 | 5.00 |        |      |
|           | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0      | 0    |        |      |
|           | At the End of the year  |        |      | 250266 | 5.00 |
|           |   |        |      |        |      |
| <b>11</b> | <b>Manju Choudhury</b>  |        |      |        |      |
|           | At the beginning of the year  | 124900 | 2.50 |        |      |
|           | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /                           | 0      | 0    |        |      |

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|           |   |        |      |        |      |
|-----------|---|--------|------|--------|------|
|           | bonus/ sweat equity etc):   |        |      |        |      |
|           | At the End of the year  |        |      | 124900 | 2.50 |
|           |   |        |      |        |      |
| <b>12</b> | <b>Saurabh Jhunjunwala</b>  |        |      |        |      |
|           | At the beginning of the year  | 105440 | 2.11 |        |      |
|           | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0      | 0    |        |      |
|           | At the End of the year  |        |      | 105440 | 2.11 |
|           |   |        |      |        |      |
| <b>13</b> | <b>Renu Devi Jhunjunwala</b>  |        |      |        |      |
|           | At the beginning of the year  | 91500  | 1.83 |        |      |
|           | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0      | 0    |        |      |
|           | At the End of the year  |        |      | 91500  | 1.83 |
|           |   |        |      |        |      |
| <b>14</b> | <b>Prima Financial Services Limited</b>   |        |      |        |      |
|           | At the beginning of the year  | 35300  | 0.71 |        |      |
|           | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0      | 0    |        |      |
|           | At the End of the year  |        |      | 35300  | 0.71 |
|           |   |        |      |        |      |
| <b>15</b> | <b>Mukund Jhunjunwala</b>   |        |      |        |      |
|           | At the beginning of the year  | 23800  | 0.48 |        |      |
|           | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /                           | 0      | 0    |        |      |

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|           |   |       |      |       |      |
|-----------|---|-------|------|-------|------|
|           | bonus/ sweat equity etc):   |       |      |       |      |
|           | At the End of the year  |       |      | 23800 | 0.48 |
|           |   |       |      |       |      |
| <b>16</b> | <b>Lalitadevi Shyamsunder</b>   |       |      |       |      |
|           | At the beginning of the year  | 18700 | 0.37 |       |      |
|           | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0     | 0    |       |      |
|           | At the End of the year  |       |      | 18700 | 0.37 |
|           |   |       |      |       |      |
| <b>17</b> | <b>Shilpi Jhunjunwala</b>   |       |      |       |      |
|           | At the beginning of the year  | 5100  | 0.10 |       |      |
|           | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0     | 0    |       |      |
|           | At the End of the year  |       |      | 5100  | 0.10 |
|           |   |       |      |       |      |
| <b>18</b> | <b>Raja Jhunjunwala</b>   |       |      |       |      |
|           | At the beginning of the year  | 1000  | 0.02 |       |      |
|           | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0     | 0    |       |      |
|           | At the End of the year  |       |      | 1000  | 0.02 |
|           |   |       |      |       |      |

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

| Sl. No. | Shareholding at the beginning of the year (01.04.2018) | Shareholding at the end of the year (31.03.2019) |
|---------|--|--|
|         |  |  |

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|    | <b>For Each of the Top 10 Shareholders</b> | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
|----|--|---------------|----------------------------------|---------------|----------------------------------|
| 1  | Mudhra Fine Blanc Private Limited          | 224914        | 4.50                             | 442784        | 8.85                             |
| 2  | Hotel Jagam Private Limited                | 312381        | 6.25                             | 312381        | 6.24                             |
| 3  | Indralok Hotels Private Limited            | 312381        | 6.25                             | 262281        | 5.24                             |
| 4  | Beardsell Limited                          | 187429        | 3.75                             | 214878        | 4.29                             |
| 5  | Mitesh Dave                                | 0             | 0                                | 151948        | 3.03                             |
| 6  | Shivam Choudhary                           | 125000        | 2.50                             | 125000        | 2.5                              |
| 7  | Mukund Bansal                              | 274895        | 5.50                             | 79676         | 1.59                             |
| 8  | Pratima Shaileshbhai Khatri                | 0             | 0                                | 76922         | 1.53                             |
| 9  | Purabi Shridhar                            | 62016         | 1.24                             | 62016         | 1.24                             |
| 10 | Hitesh Shamaldas Khatri                    | 2310          | 0.00                             | 50282         | 1.00                             |

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

| Sl. no |  | Shareholding at the beginning of the year |                                  | Shareholding at the end of the year |                                  |
|--------|--|---|----------------------------------|-------------------------------------|----------------------------------|
|        |  | No. of shares                             | % of total shares of the company | No. of shares                       | % of total shares of the company |
|        | For each of the Directors and KMP                            |   |                                  |                                     |                                  |
| 1      | Mr. Ram Prasad Agarwal<br>( Director )                       | 388722                                    | 7.77                             | 388722                              | 7.77                             |
| 2      | Mr. Narayan Prasad Agarwal<br>( Director )                   | 145800                                    | 2.92                             | 145800                              | 2.92                             |
| 3      | Mr. Pawan Kumar Agarwal<br>( Managing Director )             | 250266                                    | 5.00                             | 250266                              | 5.00                             |
| 4      | Mr. Saurabh Jhunjunwala<br>( Director )                      | 105440                                    | 2.11                             | 105440                              | 2.11                             |
| 5      | Mr. Sital Kumar Banerjee<br>( Ceased on 28/3/2019 )          | 0   | 0                                | 0                                   | 0                                |
| 6      | Mr. Jiwraj Khaitan<br>( Ceased on 27/9/2018 )                | 0   | 0                                | 0                                   | 0                                |
| 7      | Mr. Virendra Sharma  | 0   | 0                                | 0                                   | 0                                |
| 8      | Ms. Aarefa Kutub Kapasi                                      | 0   | 0                                | 0                                   | 0                                |
| 9      | Mr. Rajesh Vasantlal Tripathi<br>( Appointed 8/3/2019 )      | 0   | 0                                | 0                                   | 0                                |
| 10     | Mr. Sanket Dipakbhai Sheth<br>( Appointed w.e.f. 29/3/2019 ) | 0   | 0                                | 0                                   | 0                                |

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|           |   |   |   |   |   |
|-----------|---|---|---|---|---|
| <b>11</b> | Mr. Roshanlal Shaklani<br>( Chief Financial Officer ) | 0 | 0 | 0 | 0 |
| <b>12</b> | Mr. Suresh Verma<br>( Company Secretary )             | 0 | 0 | 0 | 0 |

**V. INDEBTEDNESS**

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

|   | <b>Secured<br/>Loans<br/>excluding<br/>deposits<br/>( In Rs. )</b> | <b>Unsecured<br/>Loans<br/>( In Rs. )</b> | <b>Deposits<br/>( In Rs. )</b> | <b>Total<br/>Indebtedness<br/>( In Rs. )</b> |
|---|--|---|--------------------------------|--|
| Indebtedness at the beginning of the financial year |  |   |                                |  |
| <b>i) Principal Amount</b>                          | 53,57,82,403   | 51,58,278                                 | 0                              | 54,09,40,681                                 |
| <b>ii) Interest due but not paid</b>                | 0  | 0   | 0                              | 0  |
| <b>iii) Interest accrued but not due</b>            | 0  | 0   | 0                              | 0  |
| <b>Total (i+ii+iii)</b>                             | 53,57,82,403   | 51,58,278                                 | 0                              | 54,09,40,681                                 |
| Change in Indebtedness during the financial year    |  |   |                                |  |
| - Addition  | 0  | 912180                                    | 0                              | 912180                                       |
| - Reduction   | 8330712  | 0   | 0                              | -8330712                                     |
| <b>Net Change</b>                                   | (8330712)  | 912180                                    | 0                              | 7418532                                      |
| Indebtedness at the close of the financial year     |  |   |                                |  |
| <b>i) Principal Amount</b>                          | 52,74,51,691   | 60,70,458                                 | 0                              | 53,35,22,149                                 |
| <b>ii) Interest due but not paid</b>                | 0  | 0   | 0                              | 0  |
| <b>iii) Interest accrued but not due</b>            | 0  | 0   | 0                              | 0  |
| <b>Total (i+ii+iii)</b>                             | 52,74,51,691   | 60,70,458                                 | 0                              | 53,35,22,149                                 |

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

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

| Sr. No. | Particulars of Remuneration | Name of Managing Director /<br><del>Whole Time Director</del> | Total Amount |
|---------|-----------------------------|---|--------------|
|---------|-----------------------------|---|--------------|

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|   |  |                       |   |     |
|---|--|-----------------------|---|-----|
|   |  | Pawankumar<br>Agrawal |   |     |
| 1 | Gross salary   | Nil                   |   | Nil |
| a | Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961 |                       |   |     |
| b | Value of perquisites u/s 17(2) Income-tax Act, 1961                              | -                     | - | -   |
| c | Profits in lieu of salary under Section 17 (3) Income-tax Act, 1961              | -                     | - | -   |
| 2 | Stock Option   | -                     | - | -   |
| 3 | Sweat Equity   | -                     | - | -   |
| 4 | Commission<br>- as % of profit<br>- others, specify...                           | -                     | - | -   |
| 5 | Others, please specify   | -                     | - | -   |
|   | Total(A)   |                       |   |     |
|   | Ceiling as per the Act   |                       |   |     |

**B. Remuneration to other Directors:**

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

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

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| Sr. No.         | Particulars of Remuneration   | CEO | Chief Financial Officer     | Company Secretary           | Total Amount in Rs. |
|-----------------|---|-----|-----------------------------|-----------------------------|---------------------|
|                 |   |     | ( Shri Roshan Lal Saklani ) | ( Shri Suresh Kumar Verma ) |                     |
| (Amount in Rs.) |   |     |                             |                             |                     |
| 1               | Gross salary  | -   | 6,76,214                    | 13,32,339                   | 20,08,553           |
| a               | Salary as per provisions contained in Section 17 (1) of the Income-tax Act,1961 | -   | 6,76,214                    | 11,63,773                   | 18,39,987           |
| b               | Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -   | -                           | 1,68,566                    | 1,62,920            |
| c               | Profits in lieu of salary under Section 17 (3) Income-tax Act, 1961             | -   | -                           | -                           | -                   |
| 2               | Stock Option  | -   | -                           | -                           | -                   |
| 3               | Sweat Equity  | -   | -                           | -                           | -                   |
| 4               | Commission  | -   | -                           | -                           | -                   |
|                 | - as % of profit  | -   | -                           | -                           | -                   |
|                 | - Others, specify...  | -   | -                           | -                           | -                   |
| 5               | Others, please specify  | -   | -                           | -                           | -                   |
|                 | Total (C)   | -   | 6,76,214                    | 13,32,339                   | 20,08,553           |

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

| Type  | Section of the companies Act | Brief description | Details of Penalty/ Punishment/Compounding fees imposed | Authority[RD /NCLT/Court] | Appeal made. If any (give details) |
|---|------------------------------|-------------------|---|---------------------------|------------------------------------|
| <b>A. Company : AS PER SHEET ATTACHED HEREWITH</b>                  |                              |                   |   |                           |                                    |
| Penalty   |                              |                   |   |                           |                                    |
| Punishment  |                              |                   |   |                           |                                    |
| Compounding   |                              |                   |   |                           |                                    |
| <b>B.Directors : AS PER SHEET ATTACHED HEREWITH</b>                 |                              |                   |   |                           |                                    |
| Penalty   |                              |                   |   |                           |                                    |
| Punishment  |                              |                   |   |                           |                                    |
| Compounding   |                              |                   |   |                           |                                    |
| <b>C.Other Officers In Default : AS PER SHEET ATTACHED HEREWITH</b> |                              |                   |   |                           |                                    |
| Penalty   |                              |                   |   |                           |                                    |



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|-------------|--|--|--|--|--|
| Punishment  |  |  |  |  |  |
| Compounding |  |  |  |  |  |

**PENALTY SECTION**

| Penalties |             |              |                               |                    |  |                              |                                  |                                |                        |                           |               |
|-----------|-------------|--------------|-------------------------------|--------------------|--|------------------------------|----------------------------------|--------------------------------|------------------------|---------------------------|---------------|
| #         | Section No. | Section No.  | Frontline Corporation Limited | Suresh Kumar Verma | Pawan Kumar Agarwal, Managing Director | Ram Prasad Agarwal, Director | Narayan Prasad Agarwal, Director | Saurabh Jhunjhunwala, Director | Bharat Arora, Director | Virendra Sharma, Director | Total (Rs.)   |
| 1         |             | 193(6)       | 250                           |                    | 250                                    |                              |                                  |                                |                        |                           | 500           |
| 2         | 629A        | 292(1)(e)    | 4000                          |                    | 900                                    |                              |                                  |                                |                        |                           | 4900          |
| 3         | 301(4)      | 301(4)       | 4000                          |                    | 900                                    | 900                          | 900                              | 900                            |                        |                           | 7600          |
| 4         | 629A        | 297          | 4000                          |                    | 900                                    | 900                          | 900                              | 900                            |                        |                           | 7600          |
| 5         | 629A        | 255(2)       | 4000                          |                    | 950                                    |                              |                                  |                                |                        |                           | 4950          |
| 1         | 217(3)      | 217(5)       |                               |                    | 1000                                   | 1000                         | 1000                             | 1000                           | 1000                   | 1000                      | 6000          |
| 2         | 217(1)      | 217(5)       |                               |                    | 1000                                   | 1000                         | 1000                             | 1000                           | 1000                   | 1000                      | 6000          |
| 3         | 217(3)      | 217(5)       |                               |                    | 1000                                   | 1000                         | 1000                             | 1000                           | 1000                   | 1000                      | 6000          |
| 4         | 217(1)      | 217(5)       |                               |                    | 1000                                   | 1000                         | 1000                             | 1000                           | 1000                   | 1000                      | 6000          |
| 5         | 217(3)      | 217(5)       |                               |                    | 1000                                   | 1000                         | 1000                             | 1000                           | 1000                   | 1000                      | 6000          |
| 6         | 211(3A)     |              |                               | 1000               | 1000                                   |                              |                                  |                                |                        |                           | 2000          |
| 7         | 211(7)      |              |                               | 1000               | 1000                                   |                              |                                  |                                |                        |                           | 2000          |
| 8         | 211(7)      |              |                               | 1000               | 1000                                   |                              |                                  |                                |                        |                           | 2000          |
| 9         | 209(5)      |              |                               | 1000               | 1000                                   |                              |                                  |                                |                        |                           | 2000          |
| 10        | 211(7)      |              |                               | 1000               | 1000                                   |                              |                                  |                                |                        |                           | 2000          |
| 11        | 297         | 629A         | 5000                          | 1000               | 1000                                   |                              |                                  |                                |                        |                           | 7000          |
| 12        | 297         | 629A         | 5000                          | 1000               | 1000                                   |                              |                                  |                                |                        |                           | 7000          |
| 13        | 297         | 629A         | 5000                          | 1000               | 1000                                   |                              |                                  |                                |                        |                           | 7000          |
| 14        | 125         | 142(1)       | 10000                         | 1000               | 1000                                   |                              |                                  |                                |                        |                           | 12000         |
| 15        | 217(3)      | 217(5)       |                               |                    | 1000                                   | 1000                         | 1000                             | 1000                           | 1000                   | 1000                      | 6000          |
| 16        | 211(2)      | 211(7)       |                               | 1000               | 1000                                   |                              |                                  |                                |                        |                           | 2000          |
| 17        | 211(1)      | 211(7)       |                               | 1000               | 1000                                   |                              |                                  |                                |                        |                           | 2000          |
|           |             | <b>Total</b> | <b>41250</b>                  | <b>11000</b>       | <b>20900</b>                           | <b>7800</b>                  | <b>7800</b>                      | <b>7800</b>                    | <b>6000</b>            | <b>6000</b>               | <b>108550</b> |

No appeal was made against the above mentioned cases.

**Annexure IV**

**Form No. MR-3 For the financial year ended on 31st March, 2019**

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

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

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

Based on my verification of the Frontline Corporation Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2019 according to the provisions of:

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

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not Applicable.
- (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 – Not Applicable.

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

The Electricity Act, 2003

National Tariff Policy

Motor Vehicles Act, 1988

The Motor Transport Workers Act, 1961

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

Employees State Insurance Act

Employees Provident Fund Act

Income Tax Act, 1961

Professional Tax Act

Goods and Services Tax Act

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

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

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

- A) *Non filing and / or Delayed filing of certain forms with the Ministry of Corporate Affairs required under the Companies Act, 2013. However for late filing of forms the Company has paid additional fees.*
- B) *The Company has given Security / Guarantee to the Bankers for the loans obtained by M/s. Fairdeal Supplies Limited in violation of erstwhile Companies Act, 1956 which is still continuing.*
- C) *Further with respect to the advances to M/s. Gateway Commodities Pvt. Ltd. we request the members to refer the Balance Sheet and the Statutory Auditors Report remarks. The advances to M/s. Gateway Commodities Private Limited were given under the erstwhile Companies Act, 1956.*

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- D) *There was delay in submission of results for the quarter ended on 30<sup>th</sup> June, 2018 and consequently the BSE has imposed penalty for the same.*
- E) *The quarter and year end results for the year ended on 31<sup>st</sup> March, 2018 were required to be submitted to the exchange latest by 30th May, 2018. However same was not declared in time and consequently BSE has imposed penalty for the same.*

I further report that:

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

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

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

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

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

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

For, **JALAN ALKESH & ASSOCIATES**  
**COMPANY SECRETARIES**  
SD/-

Date: 30/05/2019  
Place: Ahmedabad

**ALKESH JALAN**  
**PROPRIETOR**

*'Annexure A'*

To,  
The Members  
Frontline Corporation Limited

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

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

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

Date: 30/05/2019  
Place: Ahmedabad

Sd/-

**ALKESH JALAN**  
**PROPRIETOR**

**ANNEXURE V**  
**REMUNERATION POLICY:**

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

**I. PREAMBLE:**

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

**II. OBJECTIVE:**

The objective of the Policy is to ensure that:

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

**III. COMPLIANCE WITH APPLICABLE LAWS:**

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

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

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

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

i) Components:

Basic salary

Allowances

In kind (car, house, etc.)

Retirals

Reimbursements

Variable Pay

Stock Options

ii) Factors for determining and changing remuneration:

Factors:

Existing compensation

Qualification

Experience

Salary bands

Individual performance

Market benchmark

iii) Variable incentive pay (including Stock Options)

Factors:

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

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

#### VI. REMUNERATION TO OTHER EMPLOYEES:

Components:

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

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

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

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

##### I. QUALIFICATIONS:

a) He / She should possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

(b) Such qualifications as may be prescribed under the Companies Act, 2013 read with rules framed thereunder and the Listing Agreement with Stock Exchanges.

##### II. POSITIVE ATTRIBUTES:

a) He /She should be a person of integrity, with high ethical standard.



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(b) He /She should be able to commit to his/her responsibilities and devote sufficient time and attention to his/her professional obligation as a director.

I He/ She should be having courtesy, humility and positive thinking.

(d) He/ She should be knowledgeable and diligent in updating his/her knowledge.

(e) He/ She should have skills, experience and expertise by which the Company can benefit.

(f) In respect of Executive/Whole time Director/Managing Director, in addition to I (a) & (b) and II (a) to (e) above, he/she should have strong quality of leadership and team mentoring, recognition, management skills, vision, ability to steer the organization even in adverse conditions, innovative thinking, result oriented and ability to enhance reputation of the organization.

**III. INDEPENDENCE:**

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

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

Sd/-

**Pawan Kumar Agarwal**

Managing Director [ DIN 00060418 ]

Place : Ahmedabad

Date : 30/05/2019

**ANNEXURE VI**

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

1. Ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31 March, 2019

| Sr. No | Name of the Director          | Remuneration per annum (In Rs.) | Median Remuneration per annum (In Rs.) | Ratio |
|--------|-------------------------------|---------------------------------|--|-------|
| 1      | Mr. Ram Prasad Agarwal        | 0                               | 1,92,000                               | N.A.  |
| 2      | Mr. Narayan Prasad Agarwal    | 0                               | 1,92,000                               | N.A.  |
| 3      | Mr. Pawan Kumar Agarwal       | 0                               | 1,92,000                               | N.A.  |
| 4      | Mr. Saurabh Jhunjhunwala      | 0                               | 1,92,000                               | N.A.  |
| 5      | Mr. Rajesh Vasantlal Tripathi | 0                               | 1,92,000                               | N.A.  |
| 6      | Mr. Sanket Dipakbhai Sheth    | 0                               | 1,92,000                               | N.A.  |
| 7      | Mr. Virendra Sharma           | 0                               | 1,92,000                               | N.A.  |
| 8      | Ms. Aarefa Kutub Kapasi       | 0                               | 1,92,000                               | N.A.  |

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

During the year 18-19, the Company has paid remuneration of Rs. 6,76,214/- Mr. Roshan Lal Saklani , Chief financial officer of the Company. During the year 17 – 18, the Company has paid remuneration of Rs. 6,47,391/- to Mr. Roshan Lal Saklani, Chief financial officer of the Company.. The % increase during the year was 4.45

During the year 18 – 19, the Company has paid remuneration of Rs. 13,32,339/- to Mr. Suresh Kumar Verma, Company Secretary of the Company. During the year 17 – 18, the Company has paid remuneration of Rs. 13,66,850/- to Mr. Suresh Kumar Verma, Company Secretary. The % decrease during the year was 2.52

3. Percentage increase in median remuneration of employees in the financial year was 39.13%

4. The number of permanent employees on the rolls of the company as on 31 March, 2019 – 94

5. During the year on average there was 1.05% of increase in the remuneration of employees in comparison to the previous year which is in line with the current year's performance, market dynamics and as a measure to motivate the employees for better future performance to achieve organization's growth expectations.

6. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. :

There was a decrease of 1.06% in remuneration of employees other than managerial personnel. No remuneration paid to any Directors during the financial year and its previous financial year and hence comparison is not possible.

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

Directors of the Company have not received any remuneration and hence all the Employee received remuneration in excess of the remuneration received by the Director.

ANNEXURE VII

**MANAGEMENT DISCUSSION AND ANALYSIS**

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

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

**Transport Sector:**

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

**Opportunities in Transport Sector:**

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

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

Your Company has more than 60 Commercial Vehicles, either directly or indirectly and has entered into contract with various companies for the transportation of goods. The Company has experience of more than 2 decades in the Transportation Sector. Thus the Company has good network in the field of the transportation Sector.

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

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

**Risk in Transportation Sector:**

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

High cost of manpower also affects the transportation sector.

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

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

During the year under review, your Company continued to get / renewed transportation Contracts from valued customers to cater needs of its valued clients. The Revenue from Transport Operations marginally increased from Rs. 16.90 Crores to Rs. 18.14 Crores registering a increase of 7.33%

**Trading in Automotive Parts:**

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

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

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

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

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

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

Your Company is acting as the Main Distributor for Auto Components manufactured by “BOSCH Ltd.” for the Automotive Aftermarket and supplies such spares to Authorised Service Centers of Bosch as well as to retail outlets and neutral garages and workshops.

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

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

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

The margins from the automotive parts depend upon the policy and pricing of components by BOSCH Ltd., Tractor and Farm Equipment Limited and by Mahindra & Mahindra Ltd over which the Company has no control. Manufacturing of parts by local suppliers at cheap rate is also another risk associated with the automotive parts.

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

The Revenue from trading Operations of automotive parts of decreased from Rs. 24.61 Crores to Rs. 25.23 Crores registering a increase of 2.51%.

**Wind Energy Generation:**

**Industry Scenario & Out Look:**

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

**Opportunities in Wind Energy Sector:**

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

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

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

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

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

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

**Risks in Wind Energy Sector:**

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

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

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

The Revenue from Operations of the division decreased from Rs. 1.62 Crores to Rs. 1.27 Crores registering a decrease of 31.60%

**Renting of immovable properties:**

**Industry Scenario & Outlook:**

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

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

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

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

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

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

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

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

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

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

The Revenue from Operations of the division increased from Rs. 0.74 Crores to Rs. 0.80 Crores registering a increase of 8.1%.

**Internal Control Systems and their adequacy:**

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

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

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

**Human Relations:**

Relations with the employees of the Company at various levels remained harmonial during the year under the review. The Company is making its best efforts to retain and attract talented employees. During the year under the review, the Company has complied with all legislative provisions of labour laws. As at 31<sup>st</sup> March, 2019 the Company has around 94.

**Cautionary Statements:-**

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

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

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

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

**Annexure – VIII**

**CORPORATE GOVERNANCE REPORT**

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

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

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

**2. BOARD OF DIRECTORS:**

As on 31<sup>st</sup> March, 2019 strength of the Board of Directors is 8 (Eight).

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

| Name of the Director and Age             | Executive/ Non-executive/ Independent     | No. of shares Held in the Company | No. of Board meetings attended ( inclusive of adjourned meeting ) | Attendance at the Last AGM | No. of outside Directorship held excluding Private Companies | Total Memberships / Chairmanship of Committees |          |
|--|---|-----------------------------------|---|----------------------------|--|--|----------|
|  |   |                                   |   |                            |  | Member   | Chairman |
| Ram Prasad Agarwala<br>Age : 65 years    | Non- Executive Director and Promoter      | 388722                            | 2   | Yes                        | 3  | -  | -        |
| Narayan Prasad Agarwal<br>Age : 60 years | Non- Executive Director and Promoter      | 145800                            | 6   | Yes                        | 3  | -  | -        |
| Pawan Kumar Agarwal<br>Age : 59 years    | Managing Director- Executive and Promoter | 250266                            | 7   | Yes                        | 3  | -  | -        |
| Saurabh Jhunjhunwala<br>Age : 43 years   | Non- Executive Director                   | 105440                            | 6   | Yes                        | 1  | -  | -        |

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|   |                                |     |   |     |   |     |   |
|---|--------------------------------|-----|---|-----|---|-----|---|
| Virendra Sharma<br>Age : 65 years           | Independent Director           | Nil | 5 | Yes | 2 | -   | - |
| Jiw RajKhaitan<br>Ceased on 27/9/2018       | Independent Director           | Nil | 1 | Yes | 0 | 0   | 0 |
| Sital Kumar Banerjee<br>Ceased on 28/3/2019 | Independent Director           | Nil | 3 | Yes | 0 | 0   | 0 |
| Aarefa Kutub Kapasi<br>Age : 28 years       | Independent/<br>Women Director | Nil | 5 | No  | 1 | 2 * | 0 |
| Rajesh Vasantlal Tripathi<br>Age : 48 years | Independent Director           | Nil | 1 | No  | 0 | 0   | 0 |
| Sanket Dipakbhai Sheth<br>Age : 32 years    | Independent Director           | Nil | 0 | No  | 0 | 0   | 0 |

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

Notes:

(1) Disclosure of Chairmanship & Membership includes membership of Audit and Stakeholder Relationship Committees in other Public Limited Companies.

(2) Other directorships do not include alternate directorship, directorship of Private Limited Companies, Section 8 Companies of the Companies Act, 2013 and Foreign Companies.

(3) None of the Directors of Board is a member of more than ten Committees and no Director is Chairman of more than five committees across all the Public companies in which they are Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

(4) None of the Independent Director of the Company is holding position of Independent Director in more than 7 Listed Company. Further, none of the Director of the Company serving as a Whole-Time Director in any Listed Company and is holding position of Independent Director in more than 3 Listed Company.

(5) None of the Non-executive Directors has any pecuniary relationship, except Mr. Ram Prasad Agarwal, Mr. Narayan Prasad Agarwal and Mr. Pawan Kumar Agarwal, Directors of the Company are related to each other. Further Mr. Saurabh Jhunjhunwala is the son of Mr. Ramprasad Agarwal and has pecuniary relationship. Non-executive Directors have no transaction with the Company, except as disclosed. No remuneration is paid to any Director of the Company.



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During the year the Board of Directors met 10 times ( including adjourned meeting held on 30.5.2018 and 13.02.2019 ). The dates of the Board meetings are as under :

02.04.2018, 30.05.2018, 14.06.2018, 14.08.2018, 17.08.2018, 14.11.2018, 13.02.2019, 14.02.2019, 08.03.2019 and 29.03.2019.

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

Shri Saurabh Jhunjhunwala and Shri Ram Prasad Agarwal, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment. The information required to be furnished in terms of Listing Regulations is / will be furnished in the notice of the annual general meeting.

**INDEPENDENT DIRECTORS MEETING:**

Schedule IV to the Act, inter alia, prescribes that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of the non-independent directors and members of the management. During the year, one meeting of independent directors was held on 02.04.2018 . Shri Virendra Sharma was unanimously elected as the Chairman of the Meeting of the Independent Directors. In addition to Mr. Virendra Sharma, the Independent Director meeting was attended by Shri Jiwraj Khaitan and Shri Sital Kumar Banerjee. At the meetings, the Independent Directors reviewed the performance of the non-independent directors (including the chairperson) and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the company, management and the Board that is necessary for the Board to effectively and reasonably perform their duties

**Board Committee:-**

**Audit Committee**

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

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

The committee at present comprises of three non-executive independent directors. All the members have good financial knowledge. The composition of the Audit committee and the attendance of each director at these meetings are given below:-

| # | Director                  | Category of Directorship | Chairman/ Member | No. of Meetings held | No. of Meeting attended |
|---|---------------------------|--------------------------|------------------|----------------------|-------------------------|
| 1 | Shri Virendra Sharma      | Independent Director     | Member/ Chairman | 7                    | 7                       |
| 2 | Shri Saurabh Jhunjhunwala | Non-Executive Director   | Member           | 7                    | 4                       |

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|   |                         |                      |        |   |   |
|---|-------------------------|----------------------|--------|---|---|
| 3 | Ms. Aarefa Kutub Kapasi | Independent Director | Member | 7 | 4 |
|---|-------------------------|----------------------|--------|---|---|

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

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

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

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

During the year under the review, the audit committee met 7 times (including adjourned meeting held on 30.5.2018, 14.8.2018 and 13.2.2019) during the year 2018 - 2019 on 30.05.2018, 14.06.2018, 14.08.2018, 17.08.2018, 14.11.2018, 13.02.2019 and 14.02.2019.

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

## 2. Nomination and Remuneration Committee:

The Remuneration Committee following are the members and their attendance at Committee Meetings:-

| Sr. No. | Name of Directors        | Status   | Category of Directorship | No. of Meetings held | No. of Meetings Attended |
|---------|--------------------------|----------|--------------------------|----------------------|--------------------------|
| 1       | Shri Virendra Sharma     | Chairman | Independent Director     | 4                    | 4                        |
| 2       | Ms. Aarefa Kutub Kapasi  | Member   | Independent Director     | 4                    | 3                        |
| 3       | Shri Saurabh Jhunjunwala | Member   | Non-Executive Director   | 4                    | 3                        |

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

During the year under review four nomination and remuneration Committee were held including adjourned meeting on 30.5.2018.

The dates of nomination and remuneration Committee were 30.5.2018 and 14.6.2018, 08.03.2019 and 29.3.2019.

## 3. Shareholders'/ Investors' Grievance:

The Shareholders'/ Investors' Grievance Committee was formed by the Board of Directors on 30<sup>th</sup> January,

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

During the year under review, the Committee met 7 times ( including adjourned meeting held on 30.5.2018, 14.08.2018 and 13.02.2019 ) on 30.05.2018, 14.06.2018, 14.08.2018, 17.08.2018, 14.11.2018, 13.02.2019 and 14.02.2019

The following are the members and their attendance at Committee Meetings:-

| Sr. No. | Name of Director          | Status            | Category of Directorship | No. of Meetings held | No. of Meeting attended |
|---------|---------------------------|-------------------|--------------------------|----------------------|-------------------------|
| 1       | Shri Virendra Sharma      | Member / Chairman | Independent Director     | 7                    | 5                       |
| 2       | Shri Saurabh Jhunjhunwala | Member            | Non-Executive Director   | 7                    | 4                       |
| 3       | Ms. Aarefa Kutub Kapasi   | Member            | Independent Director     | 7                    | 3                       |

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

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

During the year, No complaint letter was received from the shareholder. There was no pending complaint from the shareholders as on 31.03.2019.

#### **4. GENERAL BODY MEETINGS:**

The last three annual General Meetings were held as under:

| Sr. No. | Financial Year | Day and Date                                   | Time          | Location  |
|---------|----------------|--|---------------|---|
| 1       | 2015 - 2016    | Tuesday<br>27 <sup>th</sup> September,<br>2016 | 10.00<br>a.m. | 4,B.B.D.Bag(East), Room<br>No.5StephenHouse,<br>1stFloor,Kolkata-700001 |
| 2       | 2016 - 2017    | Thursday, 21st                                 | 10.00         | 4, B. B. D. Bag (East), Stephen   |

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|   |             |  |               |   |
|---|-------------|--|---------------|---|
|   |             | September, 2017                              | a.m.          | House, Room No. 5, 1st Floor,<br>Kolkata – 700 001                                    |
| 3 | 2017 - 2018 | Tuesday, 25 <sup>th</sup><br>September, 2018 | 10.00<br>a.m. | 4, B. B. D. Bag (East), Stephen<br>House, Room No. 5, 1st Floor,<br>Kolkata – 700 001 |

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

| <b>Financial Year</b> | <b>Particulars of Special resolutions passed</b>  |
|-----------------------|---|
| 2015 - 2016           | 1. Approval for Related Party transaction pursuant to provision of Section 188 of the Companies Act, 2013 |
| 2016 - 2017           | To authorize the Board to enter into related party transactions   |
| 2017 - 2018           | Nil   |

No resolution is proposed to be passed through postal ballot at the forthcoming annual general meeting. On 23<sup>rd</sup> March, 2018 two resolutions were passed by Postal Ballot namely as under :

1. To alter the Object Clause of the Memorandum of Association.
2. To approve the Related Party Transactions.

Other than mentioned above, no resolution was passed through postal ballot during last three annual general meetings.

**5. MEANS OF COMMUNICATION:**

Your Company complies with Clause 41 of the Listing Agreement. Quarterly Results, Annual Result and other statutory publications are being normally published in Dainik Lipi (Bengali ) & Business Standard (English). Further results are also displayed on the Company`s website. [www.http://frontlinecorporation.org](http://frontlinecorporation.org)

**6. GENERAL SHAREHOLDER INFORMATION:**

|       |   |   |
|-------|---|---|
| (i)   | Annual General Meeting<br>Day, Date, Time and Venue             | Day : <b>Thursday, 19<sup>th</sup> September, 2019</b><br>Time: 10.00 a.m.<br>Venue : 4,B.B.D.Bag (East), Room No.5 Stephen<br>House, 1stFloor, Kolkata-700001  |
| (ii)  | Next Financial Calendar Year                                    | 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020<br>( tentative )  |
| (iii) | Date of Book Closure  | Saturday, 14 <sup>th</sup> September, 2019 to Thursday, 19 <sup>th</sup><br>September, 2019 ( both the days inclusive).   |
| (v)   | ISIN No. for ordinary shares<br>of the Company in Demat<br>form | <b>INE092D01013</b>   |
| (vi)  | Registered Office   | 4,B.B.D. Bag (East), Room No. 5 Stephen House, 1 <sup>st</sup><br>Floor, Kolkata-700001   |
|       | Corporate Office  | 4 <sup>th</sup> Floor, Shalin Building, Near<br>Nehru Bridge Corner, Ashram Road,<br>Ahmedabad–380009   |
| (vii) | Registrar and Transfer Agent                                    | Bigshare Services Private Limited, A-802, Samudra<br>Complex Near Klassic Gold Hotel, Girish Cold Drink,<br>Off C G Road, Navrangpura, Ahmedabad Gujarat –<br>380009 Phone No. -079-40024135, Mob. 9971542155 |

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|         |  |   |
|---------|--|---|
|         |  |   |
| (ix)    | Investor Correspondence  | A-802, Samudra Complex Near Klassic Gold Hotel, Girish Cold Drink , Off C G Road , Navrangpura, Ahmedabad Gujarat – 380009  |
| (x)     | Means of Communication   | The Company sends its quarterly results in Stock Exchanges. Further the same is also published in the newspapers.   |
| (xi)    | Any Website where it displays official releases                          | www.frontlinecorp.org   |
| (xii)   | Any presentation made to the institutional investor and analyst          | No  |
| (xiii)  | Is half yearly report sent to the shareholders                           | No  |
| (xiv)   | Whether Management Discussion and Analysis is a part of this report      | Yes   |
| (xv)    | Share Transfer System  | The work of physical share transfer is presently handled by Registrar and Transfer Agent.   |
| (xvi)   | Listing and Stock Code   | The Calcutta Stock Exchange Association Limited-<br>BSE Limited- BSE : 532042   |
| (xvii)  | The name and address of Stock Exchanges where Company is listed          | <b>1. The Calcutta Stock Exchange Association Ltd.,</b><br>7, Lyons Range, Kolkata – 700 001.<br><br><b>2. BSE Ltd.,</b><br>Phiroze Jeejeebhoy Towers,<br>Dalal Street, Mumbai – 400 001.     |
| (xviii) | Auditors for the FY 2018-19 and Proposed Auditors for the FY 2018 - 2019 | For the financial year 2018 - 2019<br>M/s. Paresh Thothawala & Co.,<br>Chartered Accountants<br>Proposed for the financial year 2019 – 2020<br>S.M. Pansuriya & Co.,<br>Chartered Accountants |
| (ix)    | Branch Auditor   | Nil   |
| (xx)    | Compliance Officer   | Shri Suresh Kumar Verma, Company Secretary  |

**FINANCIAL CALENDER:**

|                       |  |
|-----------------------|--|
| Report Period         | : From 1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020 |
| First Quarter Result  | : Second Week of August, 2019 ( tentative )                      |
| Second Quarter Result | : Second Week of November, 2019 (tentative)                      |
| Third Quarter Result  | : Second Week of February, 2020 (tentative)                      |
| Fourth Quarter Result | : Last Week of May, 2020 ( tentative )                           |

**7. DISTRIBUTION OF SHAREHOLDINGS AND SHARE HOLDING PATTERN**

**(AS ON 31-03-2019):**

**SHAREHOLDING PATTERN:**

| Category                       | No. of Share holders | % of holding to total | Number of Shares held |
|--------------------------------|----------------------|-----------------------|-----------------------|
| Promoter & Promoter Group      | 18                   | 47.6314               | 2381568               |
| Public                         | 658                  | 52.3686               | 2618432               |
| Non Promoter-Non Public        | 0                    | 0                     | 0                     |
| Shares underlying DRs          | 0                    | NA                    | 0                     |
| Shares held by Employee Trusts | 0                    | 0                     | 0                     |
| <b>Total</b>                   | <b>676</b>           | <b>100.00</b>         | <b>5000000</b>        |

**Shareholding Position as on 31<sup>st</sup> March, 2019**

| Mode     | No. of Shares | % to total Capital |
|----------|---------------|--------------------|
| NSDL     | 3320316       | 66.41              |
| CDSL     | 804560        | 16.09              |
| Physical | 875124        | 17.50              |
| Total    | 5000000       | 100                |

**Market Price Data**

The Shares of the Company were not traded at Calcutta Stock Exchange during the year.

The details of Equity Shares traded at BSE for the period from April 2018 to March 2019 is as follows:

| Month    | Open  | High  | Low   | Close | No. of Shares | No of Trades | Total Turnover |
|----------|-------|-------|-------|-------|---------------|--------------|----------------|
| April 18 | 11.45 | 12.61 | 11.45 | 12.61 | 1525          | 7            | 18,669         |
| May 18   | Nil   | Nil   | Nil   | Nil   | Nil           | Nil          | Nil            |
| June 18  | Nil   | Nil   | Nil   | Nil   | Nil           | Nil          | Nil            |
| July 18  | Nil   | Nil   | Nil   | Nil   | Nil           | Nil          | Nil            |
| Aug 18   | Nil   | Nil   | Nil   | Nil   | Nil           | Nil          | Nil            |
| Sept 18  | 12.61 | 12.61 | 12.61 | 12.61 | 80            | 1            | 1,008          |
| Oct 18   | 12.00 | 12.00 | 12.00 | 12.00 | 20            | 1            | 240            |
| Nov 18   | Nil   | Nil   | Nil   | Nil   | Nil           | Nil          | Nil            |
| Dec 18   | Nil   | Nil   | Nil   | Nil   | Nil           | Nil          | Nil            |
| Jan 19   | 12.00 | 12.00 | 12.00 | 12.00 | 5             | 1            | 60             |
| Feb 19   | Nil   | Nil   | Nil   | Nil   | Nil           | Nil          | Nil            |
| March 19 | 12.60 | 12.60 | 12.60 | 12.60 | 2             | 1            | 25             |

**1. DISCLOSURES:**

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

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

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

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

*The Company has also paid penalty of Rs. 10,000/- ( Excluding applicable GST ) for violation of Regulation 33 of SBI ( Listing Obligations and Disclosure Requirements ) 2015 for the quarter ended on 30<sup>th</sup> June, 2018.*

*The Company has also paid penalty of Rs. 75,000/- ( Excluding applicable GST ) for violation of Regulation 33 of SBI ( Listing Obligations and Disclosure Requirements ) 2015 for the quarter and year ended on 31<sup>st</sup> March, 2018.*

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

**(c) Whistle Blower Policy**

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

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

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

**(d) Familiarisation Programme:**

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

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

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

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

**( g ) Policies:**

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

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



|                            |   |  |
|----------------------------|---|--|
|                            | Related Party transactions required to be followed by Company to ensure compliance with the Law and Regulation.   |  |
| Whistle Blower Policy      | The Company has adopted the Vigil Mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Companies code of conduct and ethics. | <a href="http://www.frontlinecorporation.org">www.frontlinecorporation.org</a> |
| Succession Planning Policy | This Policy is designed for succession planning   | <a href="http://www.frontlinecorporation.org">www.frontlinecorporation.org</a> |

### **CEO / CFO CERTIFICATION:**

**To  
The Board of Directors,  
Frontline Corporation Limited.**

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

I have reviewed Financial Statements and the Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2019 and that to the best of my knowledge and belief, I State that;

**A.** (i) These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(ii) These Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

**B.** There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

**C.** I accept responsibility for establishing and maintaining internal controls for financial reporting and that have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps have been taken or proposed to be taken to rectify these deficiencies.

**D.** I have indicated to the Auditors and the Audit committee,

(i) Significant changes in internal control over financial reporting during the year; Significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the Financial Statement; and

(ii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

**By Order of the Board of Directors**

Date: 30/05/2019  
Place: Ahmedabad

Sd/-

Sd/-

**PAN : AFHPS9049H**

**DIN : 00060418**

**13. CODE OF CONDUCT:**

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

**DECLARATION BY THE MANAGING DIRECTOR PURSUANT  
TO LISTING REGULATIONS**

To,  
The Member of Company  
Frontline Corporation Limited,

The Company has obtained from all the members of the Board and Senior Management Personnel of the Company, affirmation that they have complied with the Code of Ethics and Business Conduct framed for Directors and Senior Management Personnel in respect of the financial year 2018 – 2019.”

For and on behalf of Board

Sd/-

Place : Ahmedabad  
Date : 30/05/2019

**PAWANKUMAR AGARWAL**  
MANAGING DIRECTOR [ DIN : 00060418 ]

## **CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
FRONTLINE CORPORATION LIMITED

We have examined the compliance of conditions of corporate governance by Frontline Corporation Limited (hereinafter referred "the Company"), for the year ended on 31st March, 2019 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations, as applicable subject to the following:

*There was delay in submission of results for the quarter ended on 30<sup>th</sup> June, 2018 and consequently the BSE has imposed penalty for the same.*

*The quarter and year end results for the year ended on 31<sup>st</sup> March, 2018 were required to be submitted to the exchange latest by 30<sup>th</sup> May, 2018. However same was not declared in time and consequently BSE has imposed penalty for the same.*

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

**For, JALAN ALKESH & ASSOCIATES**  
**Company Secretaries**

Sd/-  
**Alkesh Jalan**  
**Proprietor**  
**Membership No. 15677**

**Place: Ahmedabad**  
**Date: 30/05/2019**

**INDEPENDENT AUDITOR'S REPORT**

To,  
THE MEMBERS OF,  
**FRONLINE CORPORATION LIMITED**  
Ahmedabad  
CIN -L63090WB1989PLC099645

**Report on the Audit of the Standalone Financial Statements**

**Qualified Opinion**

We have audited the standalone financial statements of **FRONTLINE CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of Significant Accounting Policies and other Explanatory Information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

5. Note No. 22 to the standalone financial results, regarding Non provision of interest of Rs. 549.64 Lacs on NPA accounts for the year under consideration The exact amounts of the said non provisions of interest are not determined and accounted for by the Company and to that extent Bankers loan liabilities are understated and loss is understated.

6. Note No. 16 to the standalone financial results, regarding uncertainties relating to recoverability of loans & advances given to M/s. Gateway Commodities (P) Ltd. amounting to Rs. 5,14,01,172/- (Previous year Rs. Rs. 5,36,44,817/-) and Non Provision of interest @ 9% of Rs. 46,93,172/- as at 31st March, 2019. The management has explained that such advances have been given in the normal course of business. The management, based on internal assessments and evaluations, have represented that the balance outstanding advances are still recoverable/ adjustable and that no accrual for diminution of advances is necessary as at balance sheet date and the aforementioned balances are fully recoverable. However, we are unable to ascertain whether all the remaining outstanding advances, as above, are fully recoverable / adjustable since the outstanding balances as at balance sheet date are outstanding for a long period of time. In the absence of sufficient appropriate evidence we are unable to comment upon the carrying value of these loans & advances and recoverability of the aforesaid dues and the consequential impact if any on the accompanying standalone financial statements. Our audit opinion on the standalone financial statements for the year ended 31 March 2019 was also qualified in respect of this matter.

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7. Note No. 5 to the standalone financial statements regarding taking physical and/ or symbolical possession and initiating auction process on various assets by lenders; however the company has received stay order against these proceedings and matter is sub-judicial till date. The management has not performed any impairment assessment for these assets. Accordingly we are unable to ascertain the appropriateness of the carrying value of these assets and consequential impact if any on the accompanying standalone financial statements. Our audit opinion on the standalone financial statements for the year ended 31 March 2019 was also qualified in respect of this matter.

8. Note No. 35.8 to the standalone financial statements regarding Corporate guarantee given against credit facilities availed by an associate concern and non-compliance of prescribed section under the provisions of the erstwhile Companies Act 1956/ Companies Act 2013 respectively and for which the Company has filed an application with respective authority; however approval in this regard is pending till date. Due to uncertain consequence in this matter we are unable to identify impact if any on standalone financial statement, our audit opinion is qualified.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matters**

Your attention is drawn to the following matters in the notes to the financial statements as fully described therein:

1. Regarding notices issued by lenders under prescribed provisions of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act 2002 for non-payment of principal and interest thereon after the due date by the company and therefore those loan accounts became Non Performing Assets effective from respective dates mentioned in such notice. We are informed that the company has challenged the notices and the Bank's action to sale these properties of the company by filing a Securitisation Application in the Debts Recovery Tribunal, Kolkata, which is pending. The lender has also filed an Original Application in the Debts Recovery Tribunal, Kolkata, which is pending. The company has also filed a Civil Suit in Kolkata High Court against lender in regard to Specific Performance of Agreement related to one of the property which lender intended to sale. Matter stayed by High Court and the lender preferred to file appeal at the Supreme Court against the order of Calcutta High Court. These matters are sub-judice. These factors along-with other matters as set forth in said notice raise substantial doubt about the company's ability to continue as a going concern in the foreseeable future. However, the company's financial statements have been prepared on going concern basis as disclosed by management in notes.

2. Non Availability of balance confirmation from some of the suppliers and loans & Advances.

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of

**Frontline Corporation Limited**  
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the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Information Other than the Standalone Financial Statements and Auditor's Report thereon (Other Information)**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Corporate Overview, Board's Report, Management Discussion and Analysis Report and Report on Corporate Governance in the Annual Report of the Company for the financial year 2018-19, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other Information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

**Frontline Corporation Limited**  
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(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure - A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

**Frontline Corporation Limited**  
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- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) 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 aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure - B”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigations which would impact its financial position.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

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

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

Place: Ahmedabad  
Date: 30<sup>th</sup> May, 2019



**Annexure - 'A'**

**Annexure to the Independent Auditors' Report of even date on the Financial Statements of FRONTLINE CORPORATION LIMITED**

The Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets relating to the company.

(b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification. However UCO bank has taken symbolic possession of some of the fixed assets specified in the note of Fixed Assets which are provided as collateral security against credit facility enjoyed by Fairdeal Supplies Limited and Punjab & Sind Bank has taken physical possession of the fixed assets specified in the note of fixed assets. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.

(c) According to information and explanations given to us and on the basis of our examination of the conveyance deeds provided to us, we report that, the title deeds, comprising of the immovable properties of land and building which are free hold, are held in the name of the company as at the balance sheet date except the following properties whose title have not been conveyed in the name of the company having total carrying value of Rs. 91,150/- as at 31<sup>st</sup> March, 2019.

| Sr. No. | Description of Property  | Status of Ownership  | Carrying Value (Rs.) |
|---------|--|--|----------------------|
| 1.      | Agriculture Land Situated at Village Lakpath, Dist. Bhuj in the state of Gujarat | In the subject land, no agreement entered with the company. However unregistered Irrevocable Power of attorney is in the name of Mr. Pawankumar Agrawal, on behalf of the company. The titles have not been conveyed in the name of the company. | 91,150/-             |

(ii) Inventories

As explained to us the company has conducted physical verification at reasonable intervals in respect of inventory. In our opinion, the frequency of such verification is reasonable. In our opinion and according to the information and explanations given to us, the discrepancies noticed on such verification, which were not material, have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act and hence provisions of Clause 3(iii) of the aforesaid Order are not applicable to the Company.

(iv) According to information and explanation given to us, the Company had given corporate guarantee of Rs. 318.00 Crore for credit facilities availed by its group company namely Fairdeal Supplies Limited from bank.

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- (v) According to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of section 73 to 76 of the act and Rules framed there under to the extend notified. Accordingly, the Paragraph 3(v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and based on the information and explanation given to us, the provision of maintenance of cost records under sub-section (1) of section 148(1) of the Act is not applicable to the company.
- (vii) (a) In our opinion and according to information and explanation given to us and on the basis of our examination of records of the Company, the company is generally regular in depositing undisputed statutory dues including Provident fund, Employee's state insurance, Income Tax, Sales Tax, Service Tax, Duty of customs, Duty of Excise, Value added tax, entry tax, cess and other material statutory dues with the appropriate authorities though there has been a slight delay in few cases with regards to value added tax, entry tax, service tax, Goods and Service tax, and income tax (tax deducted at source).

According to the information and explanation given to us, no undisputed amount payable in respect of Provident fund, Employee's state insurance, Income Tax, Sales Tax, Service Tax, Duty of customs, Duty of Excise, Value added tax, entry tax, cess and other material statutory dues were in arrears of statutory dues as at 31<sup>st</sup> March 2019 except as under mentioned were outstanding for a period of more than 6 Months from the date they becomes payable.

| Nature of Dues   | Amount (Rs.) |
|------------------|--------------|
| Service Tax      | 22,928/-     |
| ESIC             | 2,800/-      |
| Professional Tax | 8,800/-      |

- (viii) According to the information and explanation given to us and as per the records of the Company examined by us, the Company has defaulted in repayment of due to bank / financial institutions and banks. Details are given below:

| Name of lending Financial Institute and Nature of Account | Amount of Default in repayment | Period of Default        | Remarks   |
|---|--------------------------------|--------------------------|---|
| Punjab & Sind Bank - Packing Credit                       | Rs. 20,00,00,000               | 01-04-2012 to 31-03-2019 | Exclusive of interest up to 31.03.2019. Loan recalled on 31.03.2012 |
| Punjab & Sind bank - CCPH 000315                          | Rs. 17,06,60,408               | 01-04-2012 to 31-03-2019 | Exclusive of interest up to 31.03.2019. Loan recalled on 31.03.2012 |

The Company has not issued any debentures.

- (ix) According to information and explanation given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments). In our opinion

**Frontline Corporation Limited**  
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and According to information and explanation given to us, on an overall basis, the term loans were applied by the company during the year for the purposes for which those were obtained.

- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid / provided for managerial remuneration during the financial year. Accordingly, the Paragraph 3(xi) of the order is not applicable to the Company.
- (xii) According to the information and explanations give to us, the Company is not a Nidhi Company. Accordingly the Paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations give to us, The Company has entered into the transaction with the related parties in compliance with the provisions of the Section 177 and 188 of the Act, where applicable and the relevant details have been disclosed in the standalone Ind AS financial statements as required under applicable Accounting standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as applicable by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations give to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence provisions of the paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations give to us, the Company has not entered into any non-cash transactions with its directors or the persons connected with him during the year and hence provisions of paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations give to us, the Company is not required to be registered Section 45-IA of the Reserve Bank of India Act, 1934 and hence provisions of paragraph 3(xvi) of the Order is not applicable to the Company.

**For, Paresh Thothawala & Co.**

Chartered Accountants  
Firm Reg. No. 114777W

Sd/-

**Paresh Thothawala**

Partner

Membership No. - 048435

Place: Ahmedabad  
Date : 30<sup>th</sup> May, 2019

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

We have audited the internal financial controls over financial reporting of *FRONTLINE CORPORATION LIMITED* ('the Company') as of 31<sup>st</sup> March 2019 in conjunction with our audit of the standalone Ind As financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (The Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the "Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

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

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

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

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

#### Opinion

In our opinion, according to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31<sup>st</sup> March, 2019:

#### **Qualified Opinion**

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

In our opinion, because of the effect of the material weaknesses described above on the achievement of the objectives of the control criteria, the company has not maintained adequate and effective internal financial control over financial reporting as of March 31, 2019.

**Frontline Corporation Limited**  
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We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 financial statement of the company, and these material weaknesses have affected our opinion on the financial statement of the company and we have issued qualified opinion on the financial statements.

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

Sd/-

**CA Paresh K Thothawala**  
**Partner**  
**Membership No.048435**

**Date: 30<sup>th</sup> May, 2019**  
**Place: Ahmedabad**

**FRONTLINE CORPORATION LIMITED**  
**(CIN NO. L63090WB1989PLC099645)**  
**BALANCE SHEET AS AT 31ST MARCH, 2019**

| PARTICULARS                          | NOTES | AS AT               | AS AT               |
|--------------------------------------|-------|---------------------|---------------------|
|                                      |       | 31/03/2019          | 31/03/2018          |
|                                      |       | Amount in Rs.       | Amount in Rs.       |
| <b>ASSETS</b>                        |       |                     |                     |
| <b>(1) Non-Current Assets</b>        |       |                     |                     |
| (a) Property, Plant and Equipment    | "4"   | 7,32,44,831         | 8,60,53,243         |
| (b) Capital work-in-progress         | "4"   | 4,40,069            | -                   |
| (c) Investment property              | "5"   | 26,03,68,577        | 26,45,32,814        |
| (d) Other Intangible assets          | "6"   | 8,789               | 2,393               |
| (e) Financial assets                 |       |                     |                     |
| (i) Others                           | "7"   | 1,27,69,088         | 1,26,82,088         |
| (f) Deferred Tax Assets(Net)         | "8"   | 3,50,81,456         | 3,33,44,800         |
| (g) Non Current Tax Assets (Net)     | "9"   | 1,78,40,205         | 1,33,34,394         |
| (h) Other Non Current Assets         | "10"  | 36,15,868           | 24,19,038           |
| <b>(2) Current Assets</b>            |       |                     |                     |
| (a) Inventories                      | "11"  | 9,25,95,748         | 8,65,24,030         |
| (b) Financial assets                 |       |                     |                     |
| (i) Investments                      | "12"  | 23,97,040           | 26,64,158           |
| (ii) Trade receivables               | "13"  | 8,39,93,053         | 10,00,31,581        |
| (iii) Cash and cash equivalents      | "14"  | 43,84,849           | 63,68,820           |
| (iv) Other Bank Balances             | "15"  | 8,25,938            | 3,00,000            |
| (v) Loans                            | "16"  | 11,12,46,906        | 11,39,13,272        |
| (vi) Others                          | "17"  | 2,70,48,380         | 2,45,77,389         |
| (c) Other current assets             | "18"  | 2,41,22,719         | 2,14,53,248         |
| <b>Total Assets</b>                  |       | <b>74,99,83,517</b> | <b>76,82,01,268</b> |
| <b>EQUITY AND LIABILITIES</b>        |       |                     |                     |
| <b>Equity</b>                        |       |                     |                     |
| (a) Equity Share capital             | "19"  | 4,97,74,500         | 4,97,74,500         |
| (b) Other equity                     | "20"  | 2,05,94,910         | 2,37,92,801         |
| <b>Liabilities</b>                   |       |                     |                     |
| <b>(1) Non - Current Liabilities</b> |       |                     |                     |
| (a) Financial liabilities            |       |                     |                     |
| (i) Borrowing                        | "21"  | 3,87,24,478         | 5,03,30,429         |
| <b>(2) Current Liabilities</b>       |       |                     |                     |
| (a) Financial liabilities            |       |                     |                     |
| (i) Borrowing                        | "22"  | 48,13,11,093        | 48,16,98,633        |
| (ii) Trade payables                  | "23"  |                     |                     |

**Frontline Corporation Limited**  
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|  |                     |                     |
|--|---------------------|---------------------|
| Total Outstanding dues of micro enterprise and small enterprise                      | 15,70,658           | -                   |
| Total Outstanding dues of Creditors other than micro enterprise and small enterprise | 12,33,35,329        | 13,27,94,769        |
| (iii) Other Financial liabilities  | "24" 2,52,04,524    | 2,09,50,541         |
| (b) Other current liabilities  | "25" 60,50,273      | 61,92,848           |
| (c) Provisions   | "26" 34,17,752      | 26,66,746           |
| <b>Total Equity and Liabilities</b>  | <b>74,99,83,517</b> | <b>76,82,01,268</b> |

**Significant Accounting Policies**

**Notes on Financial Statements**

**"1 to 35"**

**As Per our Report of Even Date**

**For Paresh Thothawala & Co.**

**Chartered Accountants**

**FRN: 114777W**

**Sd/-**

**Paresh K. Thothawala**

**Partner**

**M.No. 48435**

**Date:30-05-2019**

**Place: Ahmedabad**

**On Behalf of Board of  
Frontline Corporation Ltd**

**Sd/-**

**Narayan Prasad Agarwal**

**Director**

**(DIN NO: 00060384)**

**Sd/-**

**Pawan Kumar Agarwal**

**Managing Director**

**(DIN NO: 00060418)**

**Date:30-05-2019**

**Place: Ahmedabad**

**Sd/-**

**S.K.Verma**

**Company Secretary**

**Sd/-**

**R.K.Saklani**

**C.F.O.**



**FRONTLINE CORPORATION LIMITED**  
**(CIN NO. L63090WB1989PLC099645)**

**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2019**

| PARTICULARS  | NOTES | Year Ended          | Year Ended          |
|--|-------|---------------------|---------------------|
|  |       | 31/03/2019          | 31/03/2018          |
|  |       | Amount in Rs.       | Amount in Rs.       |
| <b>I. INCOME</b>   |       |                     |                     |
| Revenue from Operations  | "27"  | 46,55,81,707        | 44,25,29,641        |
| Other Income   | "28"  | 2,68,97,027         | 4,41,98,933         |
|  |       | <b>49,24,78,734</b> | <b>48,67,28,573</b> |
| <b>II. EXPENDITURE</b>   |       |                     |                     |
| Cost of Material Consumed  |       | -                   | -                   |
| Purchase of Stock in Trade   | "29"  | 24,35,33,586        | 21,55,04,717        |
| Change in Inventories of Finished Goods, Stock in Trade & Work-in-Progress | "30"  | (60,72,758)         | 83,85,789           |
| Employee Benefits Expenses   | "31"  | 4,49,88,001         | 4,50,40,746         |
| Financial Cost   | "32"  | 58,93,443           | 57,92,078           |
| Depreciation and Amortisation Expense                                      | "33"  | 1,92,13,320         | 1,48,67,341         |
| Other Expenses   | "34"  | 19,00,62,020        | 17,39,03,137        |
|  |       | <b>49,76,17,612</b> | <b>46,34,93,809</b> |
| <b>III. Profit before Exceptional Items &amp; Tax (I-II)</b>               |       | <b>(51,38,878)</b>  | <b>2,32,34,763</b>  |
| IV. Exceptional item   |       | -                   | -                   |
| <b>V. Profit / (Loss) before Tax</b>                                       |       | <b>(51,38,878)</b>  | <b>2,32,34,763</b>  |
| <b>VI. Tax Expenses</b>  |       |                     |                     |
| Current Tax  |       | -                   | 52,50,000           |
| Deferred Tax   |       | (17,99,796)         | (12,63,527)         |
| Tax in respect of earlier years  |       | -                   | -                   |
| <b>VII. Profit / (Loss) for the year from continuing operations</b>        |       | <b>(33,39,082)</b>  | <b>1,92,48,291</b>  |
| <b>VIII. Other Comprehensive Income</b>                                    |       |                     |                     |
| Items that will not be reclassified to profit or loss                      |       |                     |                     |
| - Remeasurement of net defined benefit plans                               |       | 2,04,331            | (68,847)            |
| - Income tax relating to above items                                       |       | (63,139)            | 21,273              |
| <b>IX. Total Comprehensive Income for the year</b>                         |       | <b>(31,97,890)</b>  | <b>1,92,00,716</b>  |
| Paid-up equity share capital (Face Value of the Share Rs. 10/- each)       |       | 49,77,450           | 49,77,450           |
| <b>Earnings per equity share (for continuing operation):</b>               |       |                     |                     |
| Basic  |       | (0.67)              | 3.87                |
| Diluted  |       | (0.67)              | 3.87                |
| <b>Earnings per equity share (for discontinued operation):</b>             |       |                     |                     |
| Basic  |       | -                   | -                   |

**Frontline Corporation Limited**  
**30<sup>th</sup> Annual Report - 2018-2019**

Diluted

-

-

**Earnings per equity share (for continuing & discontinued operation):**

Basic

(0.67)

3.87

Diluted

(0.67)

3.87

**Significant Accounting Policies**  
**Notes on Financial Statements**  
**As Per our Report of Even Date**

"1 to 35"

**On Behalf of Board of**  
**Frontline Corporation Ltd**

**Sd/-**

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

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

**Narayanprasad Agarwal**  
**Director**  
**(DIN NO: 00060384)**

**Sd/-**

**Paresh K. Thothawala**  
**Partner**  
**M.No. 48435**

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

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

**Date:30-05-2019**

**Place: Ahmedabad**

**Date:30-05-2019**

**Place: Ahmedabad**

**FRONTLINE CORPORATION LIMITED**  
**(CIN NO. L63090WB1989PLC099645)**

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON MARCH 31, 2019**

| Particulars  | Year ended<br>31st March,<br>2019 | Year ended<br>31st March,<br>2018 |
|--|-----------------------------------|-----------------------------------|
| <b>[A] CASH FLOWS FROM OPERATING ACTIVITIES</b>                    |                                   |                                   |
| Profit before exceptional items and tax                            | (51,38,878)                       | 2,32,34,763                       |
| <b>Adjustments for :</b>   |                                   |                                   |
| Depreciation and amortisation expense                              | 1,92,13,320                       | 1,48,67,341                       |
| Finance costs  | 58,93,443                         | 57,92,078                         |
| Interest income  | (60,60,130)                       | (91,46,987)                       |
| Settlement of Loan   | -                                 | -                                 |
| Provision on doubtful financial assets                             | 3,93,899                          | 31,54,925                         |
| Provision Written back   | (4,17,845)                        | (79,55,777)                       |
| Allowance for bad and doubtful debts                               | -                                 | -                                 |
| Unrealised Exchange difference                                     | -                                 | -                                 |
| Net (gain) / loss on fair valuation of investments                 | (56,522)                          | (60,773)                          |
| Remeasurements of net defined benefit plans                        | 2,04,331                          | (68,847)                          |
| Bad debts / assets written off                                     | 28,74,908                         | 33,97,156                         |
| (Profit)/ loss on sale of Fixed Assets (Net)                       | (8,08,407)                        | (63,72,172)                       |
| (Profit)/ loss on sale of Investment                               | (2,76,360)                        | (27,184)                          |
|  | 2,09,60,637                       | 35,79,760                         |
| <b>Operating profit before working capital changes</b>             | <b>1,58,21,759</b>                | <b>2,68,14,524</b>                |
| <b>Adjustments for :</b>   |                                   |                                   |
| (Increase)/Decrease in trade and other receivables                 | 1,31,63,620                       | (1,25,59,187)                     |
| (Increase)/Decrease in Inventories                                 | (60,71,718)                       | 83,88,910                         |
| (Increase)/Decrease in Other Receivable                            | (64,24,292)                       | (86,34,588)                       |
| Increase/(Decrease) in trade and other payables and provisions     | (8,352,334)                       | (16,582,023)                      |
| Increase/(Decrease) in provisions                                  | 774,952                           | 4,795,862                         |
|  | (6,909,772)                       | (24,591,026)                      |
| Cash from operations   | <b>8,911,987</b>                  | <b>2,223,498</b>                  |
| Direct tax paid(Net of refunds)                                    | 4,505,811                         | 7,247,021                         |
| <b>Net cash from operating activities before exceptional items</b> |                                   |                                   |



**Frontline Corporation Limited**  
**30<sup>th</sup> Annual Report - 2018-2019**

(1,458,033)                      1,766,971

|  |                  |                  |
|--|------------------|------------------|
| Opening Balance of Cash and Cash Equivalents | 6,668,820        | 4,901,847        |
| Closing Balance of Cash and Cash Equivalents | <u>5,210,787</u> | <u>6,668,820</u> |

**Notes :**

- 1 The cash flow statement has been prepared under the indirect method as prescribed in Indian Accounting Standard (IAS) 7
- 2 Additions to property, plant, equipment and intangible assets include movements of capital work-in-progress respectively during the year.

The amendment to Ind AS 7 Cash Flow Statement requires the entities to provide disclosures that enable users of the financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirements. This impact on the financial statements due to this amendment.

| Particulars           | Borrowings (Non-Current) * |
|-----------------------|----------------------------|
| As at 31st March 2018 | 54,09,40,682               |
| Cash Flow Changes     | (74,77,074)                |
| Fair Value Changes    | 58,542                     |
| As at 31st March 2019 | 53,35,22,149               |

\* Including current maturity of Non-Current Borrowings.

**On Behalf of Board of  
Frontline Corporation Ltd**

**Sd/-**

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

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

**Narayanprasad Agarwal**  
**Director**  
**(DIN NO: 00060384)**

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

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

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

**Date:30-05-2019**  
**Place: Ahmedabad**

**Date:30-05-2019**  
**Place: Ahmedabad**



|  |   |   |   |   |   |             |   |   |   |   |   |   |   |             |
|--|---|---|---|---|---|-------------|---|---|---|---|---|---|---|-------------|
| Reduction during the year                            | - | - | - | - | - | -           | - | - | - | - | - | - | - | -           |
| Balance at 31st March 2018                           | - | - | - | - | - | 2,37,92,802 | - | - | - | - | - | - | - | 2,37,92,802 |
| Addition during the year                             | - | - | - | - | - | -           | - | - | - | - | - | - | - | -           |
| Profit for the year                                  | - | - | - | - | - | (33,30,925) | - | - | - | - | - | - | - | (33,30,925) |
| Items of OCI for the year, net of tax                | - | - | - | - | - | -           | - | - | - | - | - | - | - | -           |
| Remeasurement benefit of defined benefit plans (Net) | - | - | - | - | - | 1,41,192    | - | - | - | - | - | - | - | 1,41,192    |
| Total Comprehensive Income for the year              | - | - | - | - | - | 2,06,03,069 | - | - | - | - | - | - | - | 2,06,03,069 |
| Reduction during the year                            | - | - | - | - | - | -           | - | - | - | - | - | - | - | -           |
| Balance at 31st March 2019                           | - | - | - | - | - | 2,06,03,069 | - | - | - | - | - | - | - | 2,06,03,069 |

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

**On Behalf of Board of  
Frontline Corporation Ltd**

**Sd/-**

**Sd/-**

**Sd/-**

**Paresh K. Thothawala**

**Partner**

**M. No. 48435**

**Date:30-05-2019**

**Place: Ahmedabad**

**Narayanprasad Agarwal**

**Director**

**(DIN NO: 00060384)**

**Pawankumar Agarwal**

**Managing Director**

**(DIN NO: 00060418)**



**STATEMENT OF CHANGES IN  
EQUITY**

**A. Equity Share Capital**

| <b>Balance as at 01-04-2018</b> | <b>Changes in equity share capital<br/>during the year</b> | <b>Balance as at 31-03-2019</b> |
|---------------------------------|--|---------------------------------|
| 4,97,74,500                     | -  | 4,97,74,500                     |

**FRONTLINE CORPORATION LIMITED**

**Notes forming part of Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2019**

**1. Corporate Information**

FRONTLINE CORPORATION LIMITED (“the company”) was incorporated in the year 2003 having its registered office at 4, B.B.D. Bag (EAST), Stephen House, Room No-5, 1<sup>st</sup> Floor, Kolkata-700 001 to carry out the business of Transportation of Goods, Trading in Automobile parts & Lubricants, Generation of Wind Power, Supply of Man Power and Renting of Immovable property.

**2. SIGNIFICANT ACCOUNTING POLICIES:**

**2.1 Statements of compliance**

The standalone financial statements of the company have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under section 133 of the Companies act 2013 read together with the rules notified there under. The accounting policies as set out below have been applied consistently to all years presented in the standalone financial statement.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policies hitherto in use.

As the quarter and year figures are taken from the source and rounded to the nearest digit, the figures reported for the previous quarter might not always added up to the year end figure reported in this statement.

**2.2 BASIS OF PREPARATION AND PRESENTATION**

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in accounting policies below.

Historical cost is generally based on the fair value of the consideration given in the exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair values of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in highest and best use.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. For assets and liabilities that are recognized in balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of nature, characteristics and risks of asset or liability and the level of the fair value hierarchy as explained above.

**The principal accounting policies are set out below:**

### **2.3 Inventories**

Inventories comprise all cost of purchase, and other costs incurred in bringing the inventories to their present location and condition.

Finished goods purchased for sale, are carried at cost or net realisable value whichever is lower. Excise duty is included in the value of finished goods inventory. Obsolete and slow moving items are valued at cost or estimated net realisable value whichever is lower.

### **2.4 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities based on the extent of information available.

### **Cash and cash equivalents:**

Cash and cash equivalents comprise cash in hand, demand deposits with banks/corporations and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

### **2.5 Taxation**

Income tax expense represents the sum of the current tax and deferred tax.

#### **2.5.1 Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income and expense that are taxable or deductible in the other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

#### **2.5.2 Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and

liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax liabilities and assets are measured at that are expected to apply in the period in which the liability is settled or the asset realised, based enacted or substantively enacted by the end of the reporting period.

The measurement of the deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### **2.5.3 Current and deferred tax for the year**

Current and deferred tax expense is recognized in the Statement of Profit and Loss, except when they relate to the items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

### **2.6 Property, Plant and Equipment (Including capital work in progress)**

Property, plant and equipment are carried at historical cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises the purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable) and includes interest on borrowings attributable to acquisition of qualifying property, plant and equipment to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to property, plant and equipment's is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Property, Plant and Equipment acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till the project is ready for its intended use.

Any part or components of property, plant and equipment which are separated identifiable and expected to have a useful life which are different from that of the main assets are capitalised separated, based on the technical assessment of the management.

Projects under which assets are not ready for their intended use and other capital work-in-progress

are carried at cost, comprising direct cost, related incidental expenses and attributable interest. Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work in progress represents projects under the property, plant and equipment's are not intended use and are carried at cost determined as aforesaid.

### 2.6.1 Depreciation

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives based on technical evaluation. The estimated useful lives are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

| <b>Type of Asset</b>     | <b>Depreciation method</b> | <b>Useful lives(Years)</b> |
|--------------------------|----------------------------|----------------------------|
| Building                 | Straight line method       | <b>60</b>                  |
| Plant and machinery      | Straight line method       | <b>15</b>                  |
| Computer equipment       | Straight line method       | <b>3</b>                   |
| Vehicles(Trucks)         | Straight line method       | <b>6</b>                   |
| Office equipment         | Straight line method       | <b>5</b>                   |
| Electrical installations | Straight line method       | <b>10</b>                  |
| Furniture & Fixtures     | Straight line method       | <b>10</b>                  |

### 2.7 Investment properties:

Investment properties comprise portion of freehold land and office buildings that are held for long-term rental yields and /or for capital appreciation. Investment properties are initially recognized at cost. Subsequently investment property comprising of buildings is carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specified useful lives. All other repair and maintenance costs are recognized in profit and loss as incurred.

Depreciation on building is provided over the estimated useful lives as specified in Schedule II to the Companies Act, 2013. The useful lives and depreciation method of investments properties are reviewed, and adjusted on prospective basis as appropriate, at each balance sheet date. The effects

of any revision are included in the statements of profit and loss when the changes arise.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use no future economic benefit is expected economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statements of profit and loss in the period of de-recognition.

## **2.8 Impairment of non financial assets:**

AS at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the company determines the recoverable amount and impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

In the case of an individual assets, at the higher of the fair value less cost to sell and the value in use; and

In the case of cash generating unit ( a company of assets that generates identified , independent cash flows), at the higher of the cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transaction can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budget and forecast calculation generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation taken to other Comprehensive income (the 'OCI'), if any. For such properties, the impairment is recognized in OCI to the amount of any previous revaluation.

## **2.9 Intangible assets**

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the company 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:

| <b>Intangible Assets</b> | <b>Estimated useful Life (Years)</b> |
|--------------------------|--------------------------------------|
| Software                 | 3                                    |

## **2.10 Amortisation**

Intangible assets are amortized over the estimated useful life of 3 years on straight line method.

Intangible assets with indefinite useful lives, if any are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

## **2.11 Revenue recognition**

### **Revenue from contracts with customers**

The Company derives revenues primarily from Transportation of Goods, sale of Automobile parts & Lubricants, Wind Power, Supply of Man Power and Renting of Immovable property.

Ind AS 115 “Revenue from Contracts with Customers” provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognize revenue when or as an entity satisfies performance obligation.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company

expects to be entitled in exchange for those goods or services. Revenue excludes amounts collected on behalf of third parties.

### **Sale of Goods/Services**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and that the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company assesses its revenue arrangements against specific criteria, i.e., whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. Revenue is recognized, net of trade discounts, sales tax, GST or other taxes, as applicable.

Revenue from goods transport services is recognized when goods are delivered to the customers/near transshipment points.

Rent income is recognized on straight line basis over the period of agreement.

### **Power distribution**

Revenue from power distribution business is recognized upon deposit of units of generated power at the grid of the purchasing customer and billing to the customers and includes unbilled revenues accrued up to the end of the accounting year. Customers are billed as per the tariff rates issued by electricity regulatory commission. Interest is accounted on accrual basis on overdue bills.

### **Interest income**

For all financial assets measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument. Interest income is included in other income in the statement of profit and loss.

### **Other Income**

Dividend Income from investments is recognized when the shareholder's right to receive payment is established, which is generally when shareholders approve the dividend.

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

## **2.12 Employee Benefits**

Employee benefits are accrued in the period in which the associated services are rendered by the



employees of the Company, as detailed below:

### **Defined contribution plans**

The Company's contribution to State Governed provided fund scheme, Employee State Insurance scheme and Employee pension scheme are considered as defined contribution plans and expenses are recognized in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

### **Defined benefit plans**

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Company accrues for liability towards Gratuity which is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation as the balance sheet date, using the Projected Unit Credit Method. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

### **Compensated absences**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at the present value of the obligation at the Balance sheet date.

## **2.14 Lease**

### **Operating Lease**

#### **As a lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

#### **As a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

## **2.15 Foreign Currency transactions:**

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

"In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items are carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

## **2.16 Borrowing costs:**

a) Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

b) All other borrowing costs are recognized as expenses in the period in which they are incurred.

## **2.17 Financial instruments**

Financial assets and financial liabilities are recognized when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

### **2.17.1 Financial assets**

## Frontline Corporation Limited 30<sup>th</sup> Annual Report - 2018-2019

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

### **Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortized cost:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer para of Impairment of financial assets.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- The asset is held within a business model whose objective is achieved both by collecting Contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI, refer Para of Impairment of financial assets. All other financial assets are subsequently measured at fair value.

### **Effective interest method**

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

### **Financial assets at fair value through profit or loss (FVTPL)**

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends

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is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### **Impairment of financial assets**

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognized in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

### **Derecognition of financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

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On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

### **2.17.2 Financial liabilities**

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

#### **Financial liabilities subsequently measured at amortized cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 18.

### **Derecognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

### **2.18 Earnings per share**

Basic earnings per share are computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any

### **2.19 Provisions and Contingencies**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent assets are disclosed in the Financial Statements by way of notes to account when an inflow of economic benefits is probable.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be require to settle the obligation ;
- A present obligation arising from past events, when no reliable estimate is possible; and
- A present obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion/purchase of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

#### **Warranty provisions**

Provisions for warranty-related costs are recognized when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related cost is revised annually.

#### **Litigation claims:**

Provision for litigation related obligation represents liabilities that are expected to materialise in respect of matters in appeal.

#### **2.20 Non-Current assets held for sale**

Non-current assets or disposal companies classified as held for sale are measured at lower of carrying amount and fair value less costs to sell.

Non-current assets or disposal companies are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal company is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets. Management must be committed to sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, Plant and Equipment and intangible assets are not depreciated or amortised once classified as held for sale.

#### **2.21 Operating Segment**

Operating Segment reflect the Company's management structure and the way the financial information is regularly reviewed by the Company's Chief Operating Decision Maker (CODM). The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments for which separate financial information is available and for which operating profit/ (loss) amounts are evaluated regularly by executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under unallocated revenue/expenses/assets/liabilities.

#### **Segment accounting**

The Chief Operational Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products / services.

Segments revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segments revenue.

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Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. Expenses which relate to the company as a whole and not allocable to segments are included under UN allocable expenditure.

Income which relates to the company as a whole and not allocable to segments is included in UN allocable income.

Segment result includes margins on inter-segments sales which are reduced in arriving at the profit before tax of the company.

Segments assets and liabilities include those directly identifiable with the respective segments. UN allocable assets and liabilities represent the assets and liabilities that relate to the company as whole and not allocable to any segment.

### **Inter-Segments transfer pricing:**

Segments revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

### **2.22 Operating Cycle**

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Notes. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

### **2.23 Exceptional Items:**

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

### **2.24 Current and Non-current classification:**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, Or
- Cash or Cash Equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, Or
- There is no unconditional right to defer the settlement of liability for at least twelve months after the reporting period.

Deferred tax assets/liabilities are classified as non-current.

All other assets are classified as non-current.

## **3. Significant Accounting Judgements, Estimates and Critical Accounting Assumptions:**



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The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognized in the financial statements pertain to:

### **3.1 Useful lives of property, plant and equipment and intangible assets:**

The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Depreciation on Property, Plant and Equipment is provided pro-rata for the periods of use on straight line method (SLM) on the basis of useful life of the property, plant and equipment mandated by Part C of Schedule II of the Companies Act, 2013 or the useful life determined by the company based on technical evaluation, whichever is lower, taking into account the nature of asset, the estimated usage of asset, the operating conditions of the asset, past history of replacement, maintenance support, as per details given below:

### **3.2 Impairment of Tangible and Intangible Assets other than Goodwill**

Property, Plant and Equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to asset for which the estimates for future cash flows have not been adjusted.

At each Balance Sheet date, consideration is given to determine whether there is any indication of impairment of the carrying amount of the Company's assets. If any indication of impairment of carrying amount of the Company's assets. If any indication exists, estimation is made for the asset's recoverable amount, which is greater of the net selling price and the value in use. An impairment loss, if any, is recognized whenever the carrying amount of an asset exceeds the recoverable amount.

Impairment losses of continuing operations, including impairment on inventories, if any, are recognized in profit or loss section of the statement of profit or loss.

### **3.3 Provision against Investments/Loans and Advances**

The management taking into account the present operations of the Company proposed restructuring, future business prospects etc. to make provision towards impairment on carrying value of investments and loans and advance given.

### **3.4 Employee Benefits – Defined Benefit Obligation (DBO)**

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discounts rate and anticipation of future salary increases.

Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

### **3.5 Standards issued but not yet effective:**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

#### **I) Ind AS 116 Leases**

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1 April 2019. The impact on adoption of Ind AS 116 on the financial statements is given below. Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

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The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

**NOTES TO FINANCEIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019**

**Note 4 : Property, Plant & Equipment**

| Particulars                      | Freehold Land    | Building         | Furniture fittings and equipment | Plant & Machinery  | Office equipment | Vehicles           | TOTAL               | Capital Work-In-Progress |
|----------------------------------|------------------|------------------|----------------------------------|--------------------|------------------|--------------------|---------------------|--------------------------|
| <b>Gross carrying amount:</b>    |                  |                  |                                  |                    |                  |                    |                     |                          |
| <b>As at 31-03-2017</b>          | 4,249,952        | 4,517,110        | 794,411                          | 23,110,626         | 565,342          | 32,847,158         | 66,084,598          | -                        |
| Additions                        |                  |                  | 20,686                           | 113,104            | 355,040          | 40,443,892         | 40,932,721          | -                        |
| Disposal/Transfer                | -                | -                | 15,162                           | 641,336            | 20,301           | 94,383             | 771,182             | -                        |
| <b>As at 31-03-2018</b>          | 42,49,952        | 45,17,110        | 7,99,935                         | 2,25,82,394        | 9,00,081         | 7,31,96,666        | 10,62,46,138        | -                        |
| Additions                        | 16,03,394        |                  | 6,500                            | 2,77,628           | 3,72,463         | -                  | <b>22,59,985</b>    | 4,40,069                 |
| Disposal/Transfer                |                  |                  |                                  |                    |                  | 36,094             | 36,094              |                          |
| <b>As at 31-03-2019</b>          | <b>58,53,346</b> | <b>45,17,110</b> | <b>8,06,435</b>                  | <b>2,28,60,022</b> | <b>12,72,544</b> | <b>7,31,60,572</b> | <b>10,84,70,029</b> | <b>4,40,069</b>          |
| <b>Accumulated depreciation:</b> |                  |                  |                                  |                    |                  |                    |                     |                          |
| <b>As at 31-03-2017</b>          | -                | 93,221           | 234,088                          | 3,107,660          | 223,805          | 6,206,875          | 9,865,649           | -                        |
| Depreciation charge for the year | -                | 98,575           | 179,744                          | 2,673,373          | 191,572          | 7,548,563          | 10,691,827          | -                        |
| Disposal/Transfer                | -                | -                | 13,192                           | 266,644            | 20,300           | 64,447             | 364,582             | -                        |
| <b>As at 31-03-2018</b>          | -                | 1,91,796         | 4,00,640                         | 55,14,390          | 3,95,078         | 1,36,90,991        | 2,01,92,894         | -                        |
| Depreciation charge for the year | -                | 98,575           | 1,32,516                         | 21,18,962          | 2,73,000         | 1,24,21,626        | 1,50,44,679         |                          |
| Disposal/Transfer                | -                |                  |                                  |                    |                  | 12,376             | 12,376              |                          |
| <b>As at 31-03-2019</b>          | -                | <b>2,90,371</b>  | <b>5,33,156</b>                  | <b>76,33,352</b>   | <b>6,68,077</b>  | <b>2,61,00,241</b> | <b>3,52,25,196</b>  |                          |
| <b>Net carrying amount:</b>      |                  |                  |                                  |                    |                  |                    |                     |                          |
| As at 31-03-2017                 | 4,249,952        | 4,423,889        | 560,323                          | 20,002,965         | 341,537          | 26,640,283         | 56,218,949          | -                        |
| As at 31-03-2018                 | 42,49,952        | 43,25,314        | 3,99,295                         | 1,70,68,004        | 5,05,003         | 5,95,05,675        | 8,60,53,243         |                          |
| As at 31-03-2019                 | 58,53,346        | 42,26,739        | 2,73,279                         | 1,52,26,670        | 6,04,467         | 4,70,60,330        | 7,32,44,831         | 4,40,069                 |

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**Note 5 : Investment property**

| Particulars                      | Amount Rs.          |
|----------------------------------|---------------------|
| <b>As at 31-03-2017</b>          | 27,28,47,370        |
| Additions                        | -                   |
| Disposal/Transfer                | -                   |
| <b>As at 31-03-2018</b>          | <u>27,28,47,370</u> |
| Additions                        | -                   |
| Disposal/Transfer                | -                   |
| <b>As at 31-03-2019</b>          | <u>27,28,47,370</u> |
| <b>Accumulated depreciation:</b> |                     |
| <b>As at 31-03-2017</b>          | <u>41,50,319</u>    |
| Depreciation charge for the year | 41,64,237           |
| Disposal/Transfer                | -                   |
| <b>As at 31-03-2018</b>          | <u>83,14,556</u>    |
| Depreciation charge for the year | 41,64,237           |
| Disposal/Transfer                | -                   |
| <b>As at 31-03-2019</b>          | <u>1,24,78,793</u>  |
| <b>Net carrying amount:</b>      |                     |
| As at 31-03-2017                 | 26,86,97,051        |
| As at 31-03-2018                 | 26,45,32,814        |
| As at 31-03-2019                 | 26,03,68,577        |

**Premises given on Operating Lease**

The company has given various properties on operating lease. These lease arrangements include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms.

**The total future minimum lease rentals receivable at the Balance Sheet date is as under**

| Particulars                          | As at<br>31st March,<br>2019 | As at<br>31st March,<br>2018 |
|--------------------------------------|------------------------------|------------------------------|
| For a period not later than one year | 79,55,886                    | 80,49,168                    |

**Information regarding income and expenditure of Investment property**

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| Particulars  | As at<br>31st March,<br>2019 | As at<br>31st March,<br>2018 |
|--|------------------------------|------------------------------|
| Rental income derived from Building  | 80,49,168                    | 74,27,527                    |
| Direct operating expenses (including repairs and maintenance) generating rental income | 10,57,430                    | 4,96,908                     |
| Profit arising from investment property before depreciation and indirect expenses      | 69,91,738                    | 69,30,619                    |
| Less : Depreciation  | 41,64,237                    | 41,64,237                    |
| Profit arising from investment property before indirect expenses                       | 28,27,501                    | 27,66,382                    |

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

Punjab & Sind Bank has taken physical possession of the property situated at Kolkata offered as collateral security against credit facilities availed by the company.

Various Property offered as Collateral Securities to UCO Bank and J&K Bank in respect of various credit facilities enjoyed by Fairdeal Supplies Ltd, an associate concern and these properties have been symbolically possessed by the UCO Bank.

Fair Value of investment properties which includes commercial and residential premises could not be identified as Management has not carried out valuation of these properties.

**Note 6 : Other Intangible assets**

| Particulars                      | Amount Rs.    |
|----------------------------------|---------------|
| <b>As at 31-03-2017</b>          | <u>37,203</u> |
| Additions                        | -             |
| Disposal/Transfer                | -             |
| <b>As at 31-03-2018</b>          | <u>37,203</u> |
| Additions                        | 10,800        |
| Disposal/Transfer                | -             |
| <b>As at 31-03-2019</b>          | <u>48,003</u> |
| <b>Accumlated depreciation:</b>  |               |
| <b>As at 31-03-2017</b>          | <u>23,532</u> |
| Depreciation charge for the year | 11,277        |
| Disposal/Transfer                | -             |
| <b>As at 31-03-2018</b>          | <u>34,810</u> |
| Depreciation charge for the year | 4,403         |

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|                         |                      |
|-------------------------|----------------------|
| Disposal/Transfer       | _____                |
| <b>As at 31-03-2019</b> | <u><u>39,214</u></u> |
| <b>Net Block Value:</b> |                      |
| As at 31-03-2017        | 13,670               |
| As at 31-03-2018        | 2,393                |
| As at 31-03-2019        | 8,789                |

**Note 7 : Non Current Financial assets : Others**

|  | As at<br>31st March,<br>2019 | As at<br>31st March,<br>2018 |
|--|------------------------------|------------------------------|
| <b>Unsecured, Considered Good</b>                  |                              |                              |
| <b>Security deposits</b>                           |                              |                              |
| - Related Party                                    | 1,52,011                     | 1,52,011                     |
| - Others   | 1,25,42,077                  | 1,25,30,077                  |
| Fixed deposit with Bank (Maturity after 12 months) | 75,000                       | -                            |
|  | <u><u>1,27,69,088</u></u>    | <u><u>1,26,82,088</u></u>    |

**Note 8 : Income Tax Expenses**

**Tax Expense recognised in Statement of Profit & Loss**

|  | As at<br>31st March,<br>2019 | As at<br>31st March,<br>2018 |
|--|------------------------------|------------------------------|
| <b>Current Tax</b>                         |                              |                              |
| Current Tax on taxable income for the year | -                            | 52,50,000                    |
| <b>Total Current Tax Expense</b>           | <u><u>-</u></u>              | <u><u>52,50,000</u></u>      |
| <b>Deferred Tax</b>                        |                              |                              |
| Deferred Tax charged                       | (17,99,796)                  | (12,63,527)                  |
| <b>Total Deferred Income Tax Expense</b>   | <u><u>(17,99,796)</u></u>    | <u><u>(12,63,527)</u></u>    |
| Tax in respect of earlier year             | -                            | -                            |
| <b>Total Income Tax Expense</b>            | <u><u>(17,99,796)</u></u>    | <u><u>39,86,473</u></u>      |

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**A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:**

| Particulars   | As at<br>31st March,<br>2019 | As at<br>31st March,<br>2018 |
|---|------------------------------|------------------------------|
| <b>Particulars</b>  |                              |                              |
| Profit Before Tax   | (51,38,878)                  | 2,32,34,763                  |
| Statutory Tax Rate (%)  | 33.063%                      | 33.063%                      |
| Tax at statutory tax rate   | (16,99,067)                  | 76,82,110                    |
| Tax effects of amounts which are not deductible in calculating taxable income |                              |                              |
| Different rate of deferred tax compared to current tax                        | (24,55,702)                  | (23,34,136)                  |
| Income considered under different Tax Rate                                    | 7,25,479                     | (7,21,878)                   |
| Others  | 16,29,494                    | (6,39,623)                   |
| Taxes of earlier years  | -                            | -                            |
| Income Tax Expense  | (17,99,796)                  | 39,86,473                    |

**B) The movement in deferred tax assets and liabilities during the year ended March 31, 2018 and March 31, 2019**

| Particulars   | Balance sheet                |                              | Credit /(charge) in Statement<br>of Profit and Loss |                                      |
|---|------------------------------|------------------------------|---|--------------------------------------|
|   | As at<br>31st March,<br>2019 | As at<br>31st March,<br>2018 | Year ended<br>31st March,<br>2019                   | Year ended<br>31st<br>March,<br>2018 |
| <b>Deferred tax Liabilities</b>   |                              |                              |   |                                      |
| Tax impact of difference between carrying amount of PPE in the financial statements and the income tax return | (1,24,04,197)                | (1,37,09,466)                | (13,05,269)   | (8,94,817)                           |
| Reversal of Loan Processing Fee   | (1,00,152)                   | (91,994)                     | 8,158   | 51,378                               |
| Capital Reserve OTS   | (6,12,909)                   | (6,12,909)                   | -   | -                                    |
| Fair Value of Investment  | (30,285)                     | (12,819)                     | 17,466  | 12,819                               |
| <b>Total (A)</b>  | <b>(1,31,47,543)</b>         | <b>(1,44,27,188)</b>         | <b>(12,79,645)</b>                                  | <b>(8,30,620)</b>                    |
| <b>Deferred tax Assets</b>  |                              |                              |   |                                      |
| Tax impact of expenses charged in the financial statements but allowable in future under income tax           |                              |                              |   |                                      |
| Bonus payable   | 2,15,276                     | 2,02,612                     | 12,664  | 9,984                                |
| Unabsorbed depreciation   | 4,30,169                     | -                            | 4,30,169  | -                                    |

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|  |                    |                    |                  |                  |
|--|--------------------|--------------------|------------------|------------------|
| Expenses disallowed u/s 43B                          | 4,40,45,750        | 4,41,65,500        | (1,19,750)       | (1,29,729)       |
| Capital losses                                       | 2,48,775           | 2,48,775           | -                | -                |
| Provision for doubtful advances                      | 11,71,683          | 11,84,043          | (12,360)         | 7,56,094         |
| Provision for doubtful debts                         | 12,29,245          | 9,34,590           | 2,94,655         | (3,15,687)       |
| Amortisation of LPF as per EIR                       | 66,259             | 40,012             | 26,247           | 17,728           |
| Allowance for Doubtful Debts                         | 95,587             | 2,70,201           | (1,74,614)       | 1,21,751         |
| Fair Value of Investment                             | -                  | -                  | -                | (5,960)          |
| Diminution in the value of Investment                | 7,26,255           | 7,26,255           | -                | -                |
| Remeasurement of Defined Benefit Plan                | -                  | -                  | 63,139           | (21,274)         |
| <b>Total (B)</b>                                     | <b>4,82,28,999</b> | <b>4,77,71,988</b> | <b>5,20,150</b>  | <b>4,32,907</b>  |
| <b>Net Deferred Tax Assets / (Liabilities) (A-B)</b> | <b>3,50,81,456</b> | <b>3,33,44,800</b> | <b>17,99,795</b> | <b>12,63,527</b> |

**Significant Estimates:** Based on the approved plans and budgets, the company has estimated that the payment of expense disallowed under section 43B, which management believes is probable, accordingly the company has recognized deferred tax asset on aforesaid losses.



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**Note 9 : Non Current Tax Assets (Net)**

| Particulars                       | As at<br>31st March, 2019 | As at<br>31st March, 2018 |
|-----------------------------------|---------------------------|---------------------------|
| TDS Receivable (Net of Provision) | 1,78,40,205               | 1,33,34,394               |
| <b>Total</b>                      | <b>1,78,40,205</b>        | <b>1,33,34,394</b>        |

**Note 10 : Non Current assets : Others**

| Particulars                           | As at<br>31st March, 2019 | As at<br>31st March, 2018 |
|---------------------------------------|---------------------------|---------------------------|
| <b>Unsecured Considered Good</b>      |                           |                           |
| Deposits with Govt. Authorities       | 36,15,868                 | 24,19,038                 |
|                                       | <u>36,15,868</u>          | <u>24,19,038</u>          |
| <b>Unsecured Considered Doubtful</b>  |                           |                           |
| Capital Advances                      | 27,39,000                 | 27,39,000                 |
| Less: Provision for Doubtful Advances | 27,39,000                 | 27,39,000                 |
|                                       | <u>-</u>                  | <u>-</u>                  |
| <b>Total</b>                          | <b>36,15,868</b>          | <b>24,19,038</b>          |

**Note 11 : Inventories**

| Particulars    | As at<br>31st March, 2019 | As at<br>31st March, 2018 |
|----------------|---------------------------|---------------------------|
| Stock in Trade | 9,25,95,748               | 8,65,22,990               |
| Loose Tools    | -                         | 1,040                     |
| <b>Total</b>   | <b>9,25,95,748</b>        | <b>8,65,24,030</b>        |

Mode of valuation of inventories has been stated in Note No. 2.3

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**Note 12 : Current Financial assets : Investments**

| Particulars   | As at 31st March, 2019 |                  | As at 31st March, 2018 |                  |
|---|------------------------|------------------|------------------------|------------------|
|   | Units                  | Amount           | Units                  | Amount           |
| <b>Investment in Government Securities</b>            |                        |                  |                        |                  |
| National Savings Certificates                         |                        | -                |                        | -                |
| <b>Investment in Mutual Funds</b>                     |                        |                  |                        |                  |
| Carried at fair value through Profit and Loss Account |                        |                  |                        |                  |
| (i) L&T Money Market Fund-Mutual Fund                 | 84,064.669             | 15,53,784        | -                      | -                |
| (ii) Sunlife Cash Management                          | 898.000                | 4,03,599         | 2,774.655              | 11,58,570        |
| (iii) Reliance Liquidity                              | 43.793                 | 1,23,638         | 577.855                | 15,05,588        |
| (iv) ICICI Prudential                                 | 1,135.987              | 3,16,019         | -                      | -                |
| <b>Total</b>  | <b>86,142</b>          | <b>23,97,040</b> | <b>3,353</b>           | <b>26,64,158</b> |
| <b>Total Unquoted investments - at Market Value</b>   |                        | -                |                        | -                |
| <b>Total Quoted investments - at Market Value</b>     |                        | <b>23,97,040</b> |                        | <b>26,64,158</b> |
| <b>Total</b>  |                        | <b>23,97,040</b> |                        | <b>26,64,158</b> |

**Note 13 : Current Financial assets : Trade Receivables**

| Particulars   | As at               | As at               |
|---|---------------------|---------------------|
|   | 31st March,<br>2019 | 31st March,<br>2018 |
| <b>Considered Good - Unsecured</b>                                      |                     |                     |
| From Related Parties  | 6,50,03,161         | 3,53,85,242         |
| From Others   | 1,92,99,235         | 6,55,20,776         |
|   | <b>8,43,02,396</b>  | <b>10,09,06,018</b> |
| Less: Allowances for Doubtful debts as per Expected Credit Loss Model   | 3,09,342            | 8,74,437            |
|   | <b>8,39,93,053</b>  | <b>10,00,31,581</b> |
| <b>Trade Receivables which have significant increase in Credit Risk</b> |                     |                     |
| From Related Parties  | -                   | -                   |

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|                           |             |              |
|---------------------------|-------------|--------------|
| From Others               | 96,33,858   | 86,80,284    |
|                           | 96,33,858   | 86,80,284    |
| Less: Provisions          | 39,78,138   | 30,24,564    |
| Less: Provision for Claim | 56,55,720   | 56,55,720    |
|                           | -           | -            |
| <br>                      |             |              |
| Total                     | 8,39,93,053 | 10,00,31,581 |

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

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 14 : Cash and Cash Equivalents**

| <b>Particulars</b>                               | <b>As at<br/>31st March,<br/>2019</b> | <b>As at<br/>31st March,<br/>2018</b> |
|--|---------------------------------------|---------------------------------------|
| <b>Cash and cash equivalents</b>                 |                                       |                                       |
| <b>Balance with banks</b>                        |                                       |                                       |
| In current accounts                              | 33,61,045                             | 41,87,558                             |
| Bank Deposits (maturity with less than 3 months) | 1,15,227                              | 8,57,608                              |
| <b>Cash On Hand</b>                              | 9,08,577                              | 13,23,653                             |
| Total  | 43,84,849                             | 63,68,820                             |

**Note 15 : Other Bank Balances**

| <b>Particulars</b> | <b>As at<br/>31st March,<br/>2019</b> | <b>As at<br/>31st March,<br/>2018</b> |
|--------------------|---------------------------------------|---------------------------------------|
|                    |                                       |                                       |

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**Other Bank Balances**

|  |                 |                 |
|--|-----------------|-----------------|
| Bank Deposits (maturity with more than 3 months but less than 12 months) | 8,25,938        | <b>3,00,000</b> |
|  | <b>8,25,938</b> | <b>3,00,000</b> |

**Note 16 : Current Financial assets : Loans**

| <b>Particulars</b>                     | <b>As at<br/>31st March,<br/>2019</b> | <b>As at<br/>31st March,<br/>2018</b> |
|--|---------------------------------------|---------------------------------------|
| <b>Loans</b>                           |                                       |                                       |
| (A) Other Loans                        |                                       |                                       |
| Unsecured, Considered Good             | 11,12,46,906                          | 11,39,13,272                          |
|  | <b>11,12,46,906</b>                   | <b>11,39,13,272</b>                   |
| Unsecured, Considered Doubtful         | 8,58,276                              | 8,58,276                              |
| Less: Allowance for Bad Doubtful Loans | (8,58,276)                            | (8,58,276)                            |
|  | <b>-</b>                              | <b>-</b>                              |
|  | <b>11,12,46,906</b>                   | <b>11,39,13,272</b>                   |

**Note 17 : Current Financial Assets : Others**

| <b>Particulars</b>          | <b>As at<br/>31st March,<br/>2019</b> | <b>As at<br/>31st March,<br/>2018</b> |
|-----------------------------|---------------------------------------|---------------------------------------|
| Unbilled Revenue            | 2,68,13,749                           | 2,41,63,022                           |
| Accrued Interest on Deposit | 53,041                                | 2,31,207                              |
| Withholding tax recoverable | 1,81,590                              | 1,83,160                              |
|                             | <b>2,70,48,380</b>                    | <b>2,45,77,389</b>                    |

**Note 18 : Other Current Assets**

| <b>Particulars</b>                     | <b>As at<br/>31st March,<br/>2019</b> | <b>As at<br/>31st March,<br/>2018</b> |
|--|---------------------------------------|---------------------------------------|
| Receivable from Government Authorities | 1,34,12,655                           | 1,63,30,410                           |

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|                           |             |             |
|---------------------------|-------------|-------------|
| Prepaid Expenses          | 19,80,243   | 16,40,294   |
| Reimbursement of Expenses | 67,67,392   | 28,33,772   |
| Advance to Suppliers      | 19,62,429   | 6,48,771    |
|                           | 2,41,22,719 | 2,14,53,248 |
|                           | 2,41,22,719 | 2,14,53,248 |

**Note 19 : Equity Share Capital**

| Particulars  | As at<br>31st March,<br>2019 | As at<br>31st March,<br>2018 |
|--|------------------------------|------------------------------|
| <u>Authorised Capital</u>                                      |                              |                              |
| 60,00,000 Equity Shares of Rs.10 each                          | 6,00,00,000                  | 6,00,00,000                  |
| (Previous year 60,00,000 Equity Shares of Rs.10 each)          |                              |                              |
| <u>Issued &amp; Subscribed and Paid up</u>                     |                              |                              |
| 50,00,000 Equity Shares of Rs.10 each                          | 5,00,00,000                  | 5,00,00,000                  |
| (Previous year 50,00,000 Equity Shares of Rs.10 each)          |                              |                              |
| Less : Calls In Arrear( 45,100 shares for Rs 5 per each share) | 2,25,500                     | 2,25,500                     |
|  | <b>4,97,74,500</b>           | <b>4,97,74,500</b>           |

Notes

(a) Reconciliation of the number of the shares outstanding at the beginning and at the end of the year :

| Authorised share capital             | As at 31st March, 2019 |             | As at 31st March, 2018 |             |
|--------------------------------------|------------------------|-------------|------------------------|-------------|
|                                      | No.of shares           | Amount      | No.of shares           | Amount      |
| Balance at the beginning of the year | 60,00,000              | 6,00,00,000 | 60,00,000              | 6,00,00,000 |
| Balance at the end of the year       | 60,00,000              | 6,00,00,000 | 60,00,000              | 6,00,00,000 |
| <hr/>                                |                        |             |                        |             |
| Issued share capital                 | As at 31st March, 2019 |             | As at 31st March, 2018 |             |
|                                      | No.of shares           | Amount      | No.of shares           | Amount      |
| Balance at the beginning of the year | 50,00,000              | 5,00,00,000 | 50,00,000              | 5,00,00,000 |
| Balance at the end of the year       | 50,00,000              | 5,00,00,000 | 50,00,000              | 5,00,00,000 |
| <hr/>                                |                        |             |                        |             |
| Subscribed and paid up share capital | As at 31st March, 2019 |             | As at 31st March, 2018 |             |
|                                      | No.of Shares           | %           | No.of Shares           | %           |
| Balance at the beginning of the year | 50,00,000              | 4,97,74,500 | 50,00,000              | 4,97,74,500 |
| Balance at the end of the year       | 50,00,000              | 4,97,74,500 | 50,00,000              | 4,97,74,500 |

The company has not issued any equity shares during the current and previous year

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**(b) The details of Shareholders holding more than 5% Shares**

| Name of the Share Holder  | As at 31st March, 2019 |      | As at 31st March, 2018 |      |
|---------------------------|------------------------|------|------------------------|------|
|                           | No.of Shares           | %    | No.of Shares           | %    |
| Ram Prasad Agarwal        | 3,88,722               | 7.77 | 3,88,722               | 7.77 |
| Pawan Kumar Agarwal       | 2,50,266               | 5.01 | 2,50,266               | 5.01 |
| Rewa Devi Agarwal         | 2,51,400               | 5.03 | 2,51,400               | 5.03 |
| Mukund Bansal             | -                      | -    | 2,74,895               | 5.50 |
| Hotel Jagam Pvt Ltd       | 3,12,381               | 6.25 | 3,12,381               | 6.25 |
| Indralok Hotels Pvt Ltd   | 2,62,281               | 5.25 | 3,12,381               | 6.25 |
| Mudhra Fine Blanc Pvt Ltd | 4,42,784               | 8.86 | -                      | -    |

**(c) Terms/Rights attached to Equity shares**

The company has one class of share capital, i.e. equity share having face value of Rs.10 per share. Each Shareholder is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding

**Note 20 : Other Equity**

| Particulars                             | Reserves & Surplus |                |             |
|---|--------------------|----------------|-------------|
|   | Retained Earnings  | Other Reserves | Total       |
| <b>Balance as at 31-03-2018</b>         | 2,37,92,800        | -              | 2,37,92,801 |
| Profit for the year                     | (33,39,082)        |                |             |
| Other Comprehensive Income for the year | 1,41,192           |                |             |
| Total Comprehensive Income for the year | (31,97,890)        |                |             |
| <b>Balance as at 31-03-2019</b>         | 2,05,94,910        | -              | 2,37,92,801 |

**Retained Earnings**

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Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to the shareholders.

**Note 21 :Non Current - Borrowings**

| Particulars                 | As at<br>31st March,<br>2019 | As at<br>31st March,<br>2018 |
|-----------------------------|------------------------------|------------------------------|
| <b>Secured</b>              |                              |                              |
| Term Loans from Banks       | -                            | -                            |
| Term Loans -Others          | 3,26,54,019                  | 4,51,72,151                  |
| <b>Secured Loans- (A)</b>   | <u>3,26,54,019</u>           | <u>4,51,72,151</u>           |
| <b>Unsecured</b>            |                              |                              |
| From Directors              | -                            | 2,10,000                     |
| Inter Corporate Deposit     | 60,70,458                    | 49,48,278                    |
| <b>Unsecured Loans- (B)</b> | <u>60,70,458</u>             | <u>51,58,278</u>             |
| <b>Total (A+B)</b>          | <u><b>3,87,24,478</b></u>    | <u><b>5,03,30,429</b></u>    |

The terms of repayment not yet finalised for Unsecured Loan from Body Corporate, Related Parties, Others and Directors. Rate of Interest is charged @ 9% p.a. previous year @ 14.5% p.a.

Term loan (secured) from India Infoline Finance Ltd. In form of commercial vehicle finance facility secured against hypothecation of commercial vehicle of the company as well as by way of hypothecation of some of the commercial vehicle of the company. The financier is also holding personal guarantee of managing director of the company, The Said loan carries interest rate @ 13.50% p.a and 10.57% p.a. and the loan is repayable in monthly equated installment of Rs. 854265/- inclusive of interest. (Current year – Balance Outstanding Rs. 1,63,18,035/- P. Y. Balance Outstanding Rs. 2,42,56,593/-)

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Term loan (secured) from Tata Motors Finance Solutions Ltd. In form of commercial vehicle finance facility secured against hypothecation of commercial vehicles of the company. The financier is also holding personal guarantee of managing director of the company, The Said loan carries interest rate @ 11.75% P.A and The loan is repayable in monthly equated installment of Rs. 3,82,236/- each inclusive of interest. (Current year- Balance Outstanding Rs. 1,12,80,000/- P. Y. Balance Outstanding Rs. NIL)

Term loan (secured) from Kotak Mahindra Prime Ltd. In form of motor vehicle finance facility secured against hypothecation of motor vehicle of the company. The Said loan carries interest rate @ 9.88% p.a and The loan is repayable in monthly equated installment of Rs. 11598/- each inclusive of interest. (Current year- Balance Outstanding Rs. 45,452/- P. Y. Balance Outstanding Rs. 1,73,204/-)

Term loan (secured) from Mahindra and Mahindra Financial Services Ltd. In form of motor vehicle finance facility secured against hypothecation of motor vehicle of the company. The said loan carries interest rate @ 12.31% p.a. and the loan is repayable in monthly equated installment of Rs 21090/- each inclusive of interest. (Current year- Balance Outstanding Rs. 7,57,086/-P. Y. Balance Outstanding Rs. 9,06,785/-)

Term loan (secured) from Mahindra and Mahindra Financial Services Ltd. In form of commercial vehicle finance facility secured against hypothecation of commercial vehicles of the company. The financier is also holding personal guarantee of managing director of the company, The Said loan carries interest rate flat @ 9.78% P.A and The loan is repayable in monthly equated installment of Rs. 497250/- each inclusive of interest. (Current year- Balance Outstanding Rs. 1,31,86,089/- P. Y. Balance Outstanding Rs. 1,76,24,529/-)

Term loan (secured) from Cholamandalam Investment and Finance Company Ltd. In form of commercial vehicle finance facility secured against hypothecation of commercial vehicles of the company. The financier is also holding personal guarantee of managing director of the company, The Said loan carries interest rate @ 9.25% p.a. and The loan is repayable in monthly equated installment of Rs. 156450/- each inclusive of interest. (Current year- Balance Outstanding Rs. 46,63,620/- P. Y. Balance Outstanding Rs. 60,39,685/-)

Working Capital Loans from bank includes Rs 2816.99 Lac against Cash Credit Limit and Rs. 2000.00 Lac against Export Packing Credit Limit from Punjab and Sind Bank has been slipped to Non Performing Assets with effect from 31-03-2012. The company has also defaulted in interest payable on said loan amounting to Rs 1,82,92,452/- for the period from 01/04/2013 to 31/03/2014 and Rs. 4,69,38,398/- for the period from 01/04/2014 to 31/03/2015 and Rs. 48102318/- for the period from 01/04/2015 to 31/03/2016 and Rs. 16837421/- for the period from 01/04/2016 to 31/03/2017. The



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Interest provision on loan taken from the bank has not been accounted for the financial year 2017-18 & 2018-19 due to legal dispute between the company and the bank as Double Bench of Hon'ble Calcutta High Court has issued order in favour of the company. The bank has preferred appeal against the said order in Hon'ble Supreme Court.

**Note 22 : Current Borrowing**

| Particulars                               | As at<br>31st March,<br>2019 | As at<br>31st March,<br>2018 |
|---|------------------------------|------------------------------|
| <b>Secured</b>                            |                              |                              |
| (a) Loans repayable on demand from banks  | 48,13,11,093                 | 48,16,98,633                 |
| (b) Loans repayable on demand from others | -                            | -                            |
|   | <u>48,13,11,093</u>          | <u>48,16,98,633</u>          |

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.

**Note 23 : Trade Payables**

| Particulars                       | As at<br>31st March,<br>2019 | As at<br>31st March,<br>2018 |
|-----------------------------------|------------------------------|------------------------------|
| Micro, Small & Medium Enterprises | 15,70,658                    | -                            |
| Others                            | 12,33,35,329                 | 13,27,94,769                 |
|                                   | <u>12,49,05,987</u>          | <u>13,27,94,769</u>          |

Refer Note for information about liquidity risk market risk of trade payable.

**Note 24 : Other Current Financial Liabilities**

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| <b>Particulars</b>                         | <b>As at<br/>31st March,<br/>2019</b> | <b>As at<br/>31st March,<br/>2018</b> |
|--|---------------------------------------|---------------------------------------|
| Current Maturities of Long Term Debts      | 1,34,86,579                           | 89,11,620                             |
| Security Deposits                          | 92,25,580                             | 84,04,000                             |
| Interest accrued but not due on Borrowings | -                                     | -                                     |
| Other payables                             |                                       |                                       |
| - Others                                   | 16,79,575                             | 28,22,132                             |
| - Related Party                            | 8,12,789                              | 8,12,789                              |
| <b>Total</b>                               | <b>2,52,04,524</b>                    | <b>2,09,50,541</b>                    |

Note: (a) There are no amounts due for payment to the Investor Education and Protection Fund Under Section 125 of the Companies Act, 2013 as at the year end.

**Note 25 : Other Current Liabilities**

| <b>Particulars</b>      | <b>As at<br/>31st March,<br/>2019</b> | <b>As at<br/>31st March,<br/>2018</b> |
|-------------------------|---------------------------------------|---------------------------------------|
| Advances From Customers | 45,48,380                             | 4,04,556                              |
| Other payables          | 10,68,984                             | 41,26,912                             |
| Statutory Remittances   | 4,32,909                              | 16,61,380                             |
| <b>Total</b>            | <b>60,50,273</b>                      | <b>61,92,848</b>                      |

**Note 26 : Provisions**

| <b>Particulars</b>                           | <b>As at<br/>31st March,<br/>2019</b> | <b>As at<br/>31st March,<br/>2018</b> |
|--|---------------------------------------|---------------------------------------|
| Provision for Employee Benefits (Refer Note) | 34,17,752                             | 26,66,746                             |
|  | <b>34,17,752</b>                      | <b>26,66,746</b>                      |

**Note 27 : Revenue From Operations**

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| <b>Particulars</b>      | <b>Year ended<br/>31st March,<br/>2019</b> | <b>Year ended<br/>31st March,<br/>2018</b> |
|-------------------------|--|--|
| Sale of Products        |  |  |
| - Sales                 | 25,23,00,417                               | 24,61,25,919                               |
| Sale of Services        | 20,37,21,107                               | 19,31,72,408                               |
| - Logistics Operations  | 18,14,32,512                               | 16,90,83,649                               |
| - Rent Income           | 95,39,121                                  | 77,90,979                                  |
| - Wind Energy           | 1,27,49,474                                | 1,62,97,780                                |
| Other Operating Revenue | 95,60,183                                  | 32,31,314                                  |
|                         | <b>46,55,81,707</b>                        | <b>44,25,29,641</b>                        |

**Note 28 : Other Income**

| <b>Particulars</b>  | <b>Year ended<br/>31st March,<br/>2019</b> | <b>Year ended<br/>31st March,<br/>2018</b> |
|---|--|--|
| Interest on Banks (Gross, T.D.S.Rs.14945/-, P.Y.Rs.12220/-) | 78,526                                     | 65,547                                     |
| Interest on Others  | 59,81,604                                  | 90,81,440                                  |
| Provision No Longer Required Written Back                   | 45,420                                     | 27,36,683                                  |
| Profit/(Loss) on Sale of Investments                        | 2,76,360                                   | 27,184                                     |
| Profit/loss on Sale of Assets                               | 8,08,407                                   | 63,72,172                                  |
| Miscellaneous Income  | 1,93,34,286                                | 2,06,96,812                                |
| Sundry Balances Written Back                                | 3,72,425                                   | 52,19,094                                  |
|   | <b>2,68,97,027</b>                         | <b>4,41,98,933</b>                         |

**Note 29 : Purchase of Stock in Trade**

| <b>Particulars</b> | <b>Year ended<br/>31st March,<br/>2019</b> | <b>Year ended<br/>31st March,<br/>2018</b> |
|--------------------|--|--|
|--------------------|--|--|

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Automobile Parts & Lubricants

24,35,33,586    21,55,04,717

24,35,33,586    21,55,04,717

**Note 30 : Change in Inventories of Finished Goods, Stock in Trade & Work-in-Progress**

| Particulars                   | Year ended<br>31st March,<br>2019 | Year ended<br>31st March,<br>2018 |
|-------------------------------|-----------------------------------|-----------------------------------|
| Opening Stock-in-trade        | 8,65,22,990                       | 9,49,08,779                       |
| Less : Closing Stock-in-trade | 9,25,95,748                       | 8,65,22,990                       |
|                               | <u>(60,72,758)</u>                | <u>83,85,789</u>                  |

**Note 31 : Employee Benefit Expenses**

| Particulars                                    | Year ended<br>31st March,<br>2019 | Year ended<br>31st March,<br>2018 |
|--|-----------------------------------|-----------------------------------|
| Salary, Bonus & Allowances                     | 4,22,95,573                       | 4,09,74,202                       |
| Staff Welfare Expense                          | 11,80,095                         | 20,50,303                         |
| Contribution to Provident Fund and other Funds | 15,12,333                         | 20,16,241                         |
|  | <u>4,49,88,001</u>                | <u>4,50,40,746</u>                |

**Note 32 : Financial Charges**

| Particulars            | Year ended<br>31st March,<br>2019 | Year ended<br>31st March,<br>2018 |
|------------------------|-----------------------------------|-----------------------------------|
| Interest on borrowings | 48,65,834                         | 31,48,936                         |
| Others borrowing cost  | 10,27,609                         | 26,43,142                         |

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**58,93,443**      **57,92,078**

**Note 33 : Depreciation and Amortisation Expense**

| <b>Particulars</b>                          | <b>Year ended<br/>31st March,<br/>2019</b> | <b>Year ended<br/>31st March,<br/>2018</b> |
|---|--|--|
| Depreciation on Property, Plant & Equipment | 1,50,44,680                                | 1,06,91,827                                |
| Depreciation on Investment Property         | 41,64,237                                  | 41,64,237                                  |
| Amortisation on Intangible Assets           | 4,403                                      | 11,277                                     |
|   | <b>1,92,13,319.66</b>                      | <b>1,48,67,341</b>                         |

**Note 34 : Other Expenses**

| <b>Particulars</b>                 | <b>Year ended<br/>31st March,<br/>2019</b> | <b>Year ended<br/>31st March,<br/>2018</b> |
|------------------------------------|--|--|
| <b><u>Operation Expenses</u></b>   |  |  |
| Freight Payment                    | 6,13,20,355                                | 4,26,08,234                                |
| Trip Expense And Allowances        | 2,69,50,568                                | 2,78,59,940                                |
| Diesel Expense                     | 5,28,72,936                                | 5,75,78,962                                |
| Claims                             | 24,14,565                                  | 3,64,852                                   |
| Loading & Unloading Expense        | 75,39,690                                  | 31,82,723                                  |
| Repair and Maintenance - Machinery | 98,71,417                                  | 93,61,170                                  |
| Repair and Maintenance - Building  | 11,99,001                                  | 5,10,108                                   |
| Repair and Maintenance - Others    | 11,87,542                                  | 8,37,416                                   |
| Other Operational Expense          | 37,84,427                                  | 42,06,075                                  |
|                                    | <b>16,71,40,500</b>                        | <b>14,65,09,479</b>                        |

**Administrative & Other Expenses**

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|   |                     |                     |
|---|---------------------|---------------------|
| Travelling & Conveyance Expense                       | 32,10,220           | 22,55,007           |
| Auditors Remuneration (refer note 34.1)               | 4,42,500            | 4,49,250            |
| Insurance Premium                                     | 24,88,956           | 40,78,811           |
| Rates & Taxes   | 7,29,369            | 22,80,015           |
| Rent  | 27,46,868           | 26,34,211           |
| Provision for doubtful debts and advances             | 3,93,899            | 31,54,925           |
| Foreign Exchange Fluctuation                          | -                   | (62)                |
| Bad debt Written off/Sundry Balance Written off (Net) | 28,74,908           | 33,97,156           |
| Penalty/Fines   | 25,030              | 58,075              |
| Other Administrative Expense                          | 93,44,131           | 87,81,082           |
| Brokerage and commission                              | 6,65,640            | 3,05,187            |
|   | <b>2,29,21,520</b>  | <b>2,73,93,658</b>  |
| <b>Total</b>  | <b>19,00,62,020</b> | <b>17,39,03,137</b> |

**Note 34.1 : Auditor's Remuneration**

| Particulars                            | Year ended<br>31st March,<br>2019 | Year ended<br>31st March,<br>2018 |
|--|-----------------------------------|-----------------------------------|
| Audit fees (including limited reviews) | 377,500                           | 384,250                           |
| Taxation Matters                       | 65,000                            | 65,000                            |
|  | <b>442,500</b>                    | <b>449,250</b>                    |

**35. Additional Disclosure requirement:**

**35.1 Financial Instruments**

**Financial Instruments Classification Category**

| Particulars             | 31 March 2019                    |                        |                | 31 March 2018                    |                        |                |
|-------------------------|----------------------------------|------------------------|----------------|----------------------------------|------------------------|----------------|
|                         | Fair Value through Profit & Loss | Fair Value through OCI | Amortised Cost | Fair Value through Profit & Loss | Fair Value through OCI | Amortised Cost |
| <b>Financial Assets</b> |                                  |                        |                |                                  |                        |                |

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|                              |           |   |              |           |   |              |
|------------------------------|-----------|---|--------------|-----------|---|--------------|
| Investments                  | 23,97,040 | - | -            | 26,64,158 | - | -            |
| Trade receivables            | -         | - | 8,39,93,053  | -         | - | 10,00,31,581 |
| Cash & cash equivalents      | -         | - | 43,84,849    | -         | - | 63,68,820    |
| Other balances with banks    | -         | - | 8,25,938     | -         | - | 3,00,000     |
| Loans                        | -         | - | 11,12,46,906 | -         | - | 11,39,13,272 |
| Other financial assets       | -         | - | 2,70,48,380  | -         | - | 2,45,77,389  |
| <b>Financial Liabilities</b> |           |   |              |           |   |              |
| Borrowings                   | -         | - | 52,00,35,570 | -         | - | 53,20,29,062 |
| Trade payables               | -         | - | 12,49,05,987 | -         | - | 13,27,94,769 |
| Other financial liabilities  | -         | - | 2,52,04,524  | -         | - | 2,09,50,541  |

**Fair Value Hierarchy**

| Financial Assets and liabilities measured at fair value 31.03.2019 & 31.03.2018 | Level 1   | Level 2 | Level 3 | Total     |
|---|-----------|---------|---------|-----------|
| <b>As at March 31,2019</b>  |           |         |         |           |
| <b>Financial Assets</b>   |           |         |         |           |
| FVTPL   | 23,97,040 | -       | -       | 23,97,040 |
| FVTOCI  | -         | -       | -       | -         |
| <b>As at March 31,2018</b>  |           |         |         |           |
| <b>Financial Assets</b>   |           |         |         |           |
| FVTPL   | 26,64,158 | -       | -       | 26,64,158 |
| FVTOCI  | -         | -       | -       | -         |

**Valuation technique used to determine fair value:**

Specific valuation techniques used to value financial instruments include:

the use of quoted market prices or dealer quotes for similar instruments

**Fair Value of Financial Assets & Liabilities measured at amortized cost**

- ✓ The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.
- ✓ The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. They are subsequently measured at amortised cost at balance sheet date.

**1. Financial Risk Management**

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The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to.

### Risk

#### Credit Risk

#### Liquidity Risk

#### Market Risk

- Foreign Exchange Risk
- Interest Rates
- Security Price

### Credit Risk Management

Company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assesses and maintains an internal credit rating system. Internal credit rating is performed on for each class of financial instruments with different characteristics.

The company is making provision on Trade Receivables based on Expected Credit Loss Model (ECL).

### Ageing & Percentage

| Ageing                                       | % of provision | Mar-19             |                 | Mar-18              |                 |
|--|----------------|--------------------|-----------------|---------------------|-----------------|
| 0-60 days                                    | 0.10%          | 6,31,22,818        | 63,123          | 4,43,91,439         | 44,391          |
| 61- 120 Days                                 | 0.75%          | 1,24,02,746        | 93,021          | 1,67,83,358         | 1,25,875        |
| 121 - 180 days                               | 1.50%          | 44,67,722          | 67,016          | 1,80,90,847         | 2,71,363        |
| More than 180 days                           | 2%             | 43,09,110          | 86,182          | 2,16,40,373         | 4,32,807        |
| <b>Total</b>                                 |                | <b>8,43,02,396</b> | <b>3,09,341</b> | <b>10,09,06,018</b> | <b>8,74,437</b> |
| <b>Provision to be recognised in P&amp;L</b> |                |                    | (5,65,095)      |                     | 3,94,017        |

The Company has used a practical expedient by computing the expected loss



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allowance for trade receivables based on historical credit loss experience and adjustments for forward looking information.

**Reconciliation of loss allowance provision**

| <b>Reconciliation of Loss Allowance</b>          | <b>2018-19</b> | <b>2017-18</b> |
|--|----------------|----------------|
| Opening Balance                                  | 8,74,437       | 4,80,420       |
| Changes due to purchase/realisation of asset     | (5,65,095)     | 3,94,017       |
| Write off Bad Debts                              | -              | -              |
| Change in risk parameters (Additional Provision) | -              | -              |
| Closing Balance                                  | 3,09,341       | 8,74,437       |

**Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Maturities of financial liabilities (31-03-2019 & 31-03-2018)**

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| <b>Financial Liabilities</b> | <b>Within 12 months</b> | <b>After 12 months</b> |
|------------------------------|-------------------------|------------------------|
| <b>As at March,2018</b>      |                         |                        |
| <b>Non derivative</b>        |                         |                        |
| Borrowings                   | 48,16,98,633            | 5,03,30,429            |
| Trade payables               | 13,27,94,769            | -                      |
| Other financial liabilities  | 2,09,50,541             | -                      |
| <b>Derivative</b>            | -                       | -                      |
| <b>As at March,2019</b>      |                         |                        |
| <b>Non derivative</b>        |                         |                        |
| Borrowings                   | 48,13,11,093            | 3,87,24,478            |
| Trade payables               | 12,49,05,987            | -                      |
| Other financial liabilities  | 2,52,04,524             | -                      |
| <b>Derivative</b>            | -                       | -                      |

### Market Risk Management

#### Foreign Currency Risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US\$, EUR. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

#### (a) Foreign currency risk exposure

| <b>Particulars</b>    | <b>As at 31-03-2019</b> | <b>As at 31-03-2018</b> |
|-----------------------|-------------------------|-------------------------|
|                       | <b>US\$</b>             | <b>US\$</b>             |
| Financial Assets      | -                       | 300                     |
| Financial Liabilities | -                       | -                       |
| <b>Net Exposure</b>   | <b>-</b>                | <b>300</b>              |

#### (b) Sensitivity

| <b>Particulars</b>    | <b>Impact on PBT</b>    |                         |
|-----------------------|-------------------------|-------------------------|
|                       | <b>As at 31-03-2019</b> | <b>As at 31-03-2018</b> |
| USD Sensitivity (+1%) | NIL                     | 136.59                  |
| USD Sensitivity (-1%) | NIL                     | (136.59)                |

**Cash flow and fair value interest rate risk**

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**(a) Interest Rate Risk Exposure**

| Particulars              | 31.03.2019   | 31.03.2018   |
|--------------------------|--------------|--------------|
| Variable Rate borrowings | -            | -            |
| Fixed Rate Borrowings    | 52,00,35,570 | 53,20,29,062 |

**Price Risk**

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the Balance Sheet at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

**Sensitivity**

| Particulars                         | Impact on PBT |            | Impact on other Components of Equity |            |
|-------------------------------------|---------------|------------|--------------------------------------|------------|
|                                     | 31.03.2019    | 31.03.2018 | 31.03.2019                           | 31.03.2018 |
| Investment price sensitivity (+10%) | 2,39,704      | 1,86,491   | -                                    | -          |
| Investment price sensitivity (-10%) | (2,39,704)    | (1,86,491) |                                      |            |

**35.2 Capital Management**

The Company's objectives when managing capital are to

- ✓ safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- ✓ Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis

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of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet, including non-controlling interests).

| <b>Particulars</b>       | <b>31-03-2019</b> | <b>31-03-2018</b> |
|--------------------------|-------------------|-------------------|
| Net Debt                 | 52,91,37,301      | 53,45,71,862      |
| Total Equity             | 7,03,69,410       | 7,35,67,302       |
| <b>Debt Equity Ratio</b> | 7.52%             | 7.27%             |

### 35.3 Lease

| <b>Particulars</b>   | <b>31-03-2019</b> | <b>31-03-2018</b> |
|--|-------------------|-------------------|
| <b>Premises taken on Operating Lease</b>   |                   |                   |
| The Company has significant operating leases for premises. These lease arrangements range for a period of 11 months and 29 days, which include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses. |                   |                   |
| With respect to non-cancellable operating lease, the future minimum lease payment as at Balance Sheet date is as under:  |                   |                   |
| For a period not later than one year   | 24,88,702         | 22,82,928         |

### 35.4 Segment information

#### **Operating Segments:**

- a) Transportation
- b) Trading
- c) Generation of Wind Energy
- d) Renting of Immovable Property
- e) Others

#### **Identification of Segments:**

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment

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performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

**Segment revenue and results:**

The expenses and income which are not directly attributable to any business segment are shown as un allocable expenditure (net of allocable income).

**Segment assets and Liabilities:**

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, Inventory and other operating assets. Segment liabilities primarily include trade payable and other liabilities. Common assets and liabilities which cannot be allocated to any of the business segment are shown as un allocable assets / liabilities.

**Inter Segment transfer:**

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

**1. Information about Products and Services**

| Product/Service                                  | Revenue from the product |              |
|--|--------------------------|--------------|
|  | 31-03-2019               | 31-03-2018   |
| <b>Sale of automobile parts &amp; Lubricants</b> | 25,23,00,417             | 24,95,04,373 |
| <b>Sale of wind energy</b>                       | 1,27,49,474              | 1,62,97,780  |
| <b>Logistic service</b>                          | 18,14,32,512             | 16,90,83,649 |
| <b>Renting of movable/ immovable property</b>    | 95,39,121                | 77,90,979    |

The above incomes are inclusive of discount given to customers

**2. Information about Geographical Areas**

| Particulars            | Calcutta Division  | Ahmedabad Division  | Bangalore Division | Total Rs.           |
|------------------------|--------------------|---------------------|--------------------|---------------------|
| <b>Revenue</b>         |                    |                     |                    |                     |
| <b>External Sales:</b> |                    |                     |                    |                     |
| Domestic Sales/Income  | <b>1,90,92,946</b> | <b>39,29,07,073</b> | <b>8,04,78,715</b> | <b>49,24,78,734</b> |
|                        | 2,35,22,679        | 37,78,01,398        | 8,54,04,496        | 48,67,28,573        |

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|   |                     |                     |                    |                     |
|---|---------------------|---------------------|--------------------|---------------------|
| Export Sales  | -                   | -                   | -                  | -                   |
|   | -                   | -                   | -                  | -                   |
| <b>Total Sales/Income</b>                                     | <b>1,90,92,946</b>  | <b>39,29,07,073</b> | <b>8,04,78,715</b> | <b>49,24,78,734</b> |
|   | 2,35,22,679         | 37,78,01,398        | 8,54,04,496        | 48,67,28,573        |
| Add: Inter Segment Sales                                      | -                   | -                   | -                  | -                   |
|   | -                   | -                   | -                  | -                   |
| <b>Total Sales</b>  | <b>1,90,92,946</b>  | <b>39,29,07,073</b> | <b>8,04,78,715</b> | <b>49,24,78,734</b> |
|   | 2,35,22,679         | 37,78,01,398        | 8,54,04,496        | 48,67,28,573        |
| Less: Inter Segment Sales                                     | -                   | -                   | -                  | -                   |
|   | -                   | -                   | -                  | -                   |
| <b>Total Revenue</b>  | <b>1,90,92,946</b>  | <b>39,29,07,073</b> | <b>8,04,78,715</b> | <b>49,24,78,734</b> |
|   | 2,35,22,679         | 37,78,01,398        | 8,54,04,496        | 48,67,28,573        |
| <b>Total Assets</b>   |                     |                     |                    |                     |
| <b>Segment Assets</b>   | <b>32,40,37,782</b> | <b>32,47,62,911</b> | <b>5,13,59,862</b> | <b>70,01,60,556</b> |
|   | 33,02,29,886        | 33,28,47,093        | 5,92,78,048        | 72,23,55,028        |
| Un allocable Asset  |                     |                     |                    | -                   |
|   |                     |                     |                    | -                   |
| Total Cost Incurred during the year to acquire segment assets | <b>18,54,309</b>    | <b>(20,20,355)</b>  | <b>1,76,459</b>    | <b>10,413</b>       |
|   | 6,85,46,862         | 10,19,113           | 3,89,08,188        | 10,84,74,162        |

### 3. Information about Major Customers(Both Years)

The company has only one major customer having turnover of more than 10% in the year 2017-18 and 2018-19.

### 4. Information about Business Segment

| Particulars             | Wind Energy        | Trading             | Transportation      | Renting of Immovable Properties | Others             | Total Rs.           |
|-------------------------|--------------------|---------------------|---------------------|---------------------------------|--------------------|---------------------|
| <b>Revenue</b>          |                    |                     |                     |                                 |                    |                     |
| <b>External Sales :</b> |                    |                     |                     |                                 |                    |                     |
| Domestic Sales          | <b>1,27,49,474</b> | <b>25,23,00,417</b> | <b>18,14,32,512</b> | <b>80,49,168</b>                | <b>3,79,47,163</b> | <b>49,24,78,734</b> |
|                         | 1,62,97,780        | 24,61,26,373        | 16,90,83,649        | 74,27,527                       | 4,77,93,926        | 48,67,29,254        |
| Export Sales            | -                  | -                   | -                   | -                               | -                  | -                   |
|                         | -                  | -                   | -                   | -                               | -                  | -                   |

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|   |                    |                     |                     |                     |                      |                     |
|---|--------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| <b>Total External Sales</b>   | <b>1,27,49,474</b> | <b>25,23,00,417</b> | <b>18,14,32,512</b> | <b>80,49,168</b>    | <b>3,79,47,163</b>   | <b>49,24,78,734</b> |
|   | 1,62,97,780        | 24,61,26,373        | 16,90,83,649        | 74,27,527           | 4,77,93,926          | 48,67,29,254        |
| Add: Inter Segment Sales  | -                  | -                   | -                   | -                   | -                    | -                   |
|   | -                  | -                   | -                   | -                   | -                    | -                   |
| <b>Total Segment Sales/<br/>Revenue</b>   | <b>1,27,49,474</b> | <b>25,23,00,417</b> | <b>18,14,32,512</b> | <b>80,49,168</b>    | <b>3,79,47,163</b>   | <b>49,24,78,734</b> |
|   | 1,62,97,780        | 24,61,26,373        | 16,90,83,649        | 74,27,527           | 4,77,93,926          | 48,67,29,254        |
| <b>Segment result before<br/>interest, exceptional/<br/>extraordinary items &amp; tax</b> | <b>(4,33,529)</b>  | <b>86,21,593</b>    | <b>97,80,325</b>    | <b>61,16,263</b>    | <b>(2,33,30,086)</b> | <b>7,54,565</b>     |
|   | 68,54,259          | 1,90,05,536         | 1,32,53,143         | 44,35,145           | (1,44,11,844)        | 2,91,36,239         |
| <b>Add: Unallocated Income Net of Un<br/>allocable Exp.</b>                               |                    |                     |                     |                     |                      | -                   |
|   |                    |                     |                     |                     |                      | -                   |
| <b>Less : Interest</b>  |                    |                     |                     |                     |                      | <b>58,93,443</b>    |
|   |                    |                     |                     |                     |                      | 57,92,078           |
| <b>Profit Before Exceptional/<br/>Extra Ordinary items &amp; tax</b>                      |                    |                     |                     |                     |                      | <b>(51,38,878)</b>  |
|   |                    |                     |                     |                     |                      | 2,32,34,763         |
| Prior Period Adjustment &<br>Exceptional/Extra Ordinary<br>Items                          | -                  | -                   | -                   | -                   | -                    | -                   |
|   | -                  | -                   | -                   | -                   | -                    | -                   |
| <b>Profit Before taxes</b>  | -                  | -                   | -                   | -                   | -                    | <b>(51,38,878)</b>  |
|   | -                  | -                   | -                   | -                   | -                    | 2,32,34,763         |
| <b>Total Assets</b>   |                    |                     |                     |                     |                      |                     |
| <u>Segment Assets</u>   | <b>3,12,06,400</b> | <b>21,99,98,545</b> | <b>9,67,37,780</b>  | <b>20,08,84,801</b> | <b>15,13,33,030</b>  | <b>70,01,60,556</b> |
|   | 3,64,85,646        | 23,25,56,208        | 9,71,43,150         | 26,45,32,814        | 9,16,37,209          | 72,23,55,028        |
| Un allocable Asset at HO  |                    |                     |                     |                     |                      | -                   |
|   |                    |                     |                     |                     |                      | -                   |
| <b>Total</b>  |                    |                     |                     |                     |                      | <b>70,01,60,556</b> |
|   |                    |                     |                     |                     |                      | 72,23,55,028        |
| <b>Total Liabilities</b>  |                    |                     |                     |                     |                      |                     |
| <u>Segment Liabilities</u>  | <b>11,40,325</b>   | <b>51,16,08,219</b> | <b>4,79,43,398</b>  | -                   | <b>12,18,20,588</b>  | <b>68,25,12,530</b> |
|   | 12,09,825          | 52,21,39,304        | 6,07,47,850         | -                   | 11,03,54,627         | 69,44,51,605        |

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|   |                  |                 |                    |                  |                    |                     |
|---|------------------|-----------------|--------------------|------------------|--------------------|---------------------|
| Un allocable Liability at HO                                      |                  |                 |                    |                  |                    | -                   |
|   |                  |                 |                    |                  |                    | -                   |
| <b>Total</b>  |                  |                 |                    |                  |                    | <b>68,25,12,530</b> |
|   |                  |                 |                    |                  |                    | <i>69,44,51,605</i> |
| Total Cost Incurred during the year to acquire segment assets     | <b>10,413</b>    | <b>1,76,459</b> | <b>93,635</b>      | -                | <b>19,90,278</b>   | <b>22,70,785</b>    |
|   | -                | <i>2,65,135</i> | <i>3,88,94,597</i> | -                | <i>6,93,14,431</i> | <i>10,84,74,162</i> |
| Total Cost Incurred during the year to acquire un allocable Asset |                  |                 |                    |                  |                    | -                   |
|   |                  |                 |                    |                  |                    | -                   |
| <b>Segment Depreciation</b>                                       | <b>12,32,405</b> | <b>3,97,420</b> | <b>1,19,12,125</b> | <b>29,37,362</b> | <b>27,34,008</b>   | <b>1,92,13,320</b>  |
|   | <i>12,32,736</i> | <i>5,27,450</i> | <i>70,22,111</i>   | <i>29,37,362</i> | <i>31,47,682</i>   | <i>1,48,67,342</i>  |
| <b>Segment Depreciation (Un allocable Asset)</b>                  |                  |                 |                    |                  |                    | -                   |
|   |                  |                 |                    |                  |                    | -                   |
| <b>Non-cash expenses other than depreciation</b>                  | <b>21,95,624</b> | <b>4,30,974</b> | <b>1,02,040</b>    | -                | -                  | <b>23,09,813</b>    |
|   | -                | <i>4,13,988</i> | <i>3,43,492</i>    | -                | <i>4,18,826</i>    | <i>70,97,407</i>    |

**35.5 Related Party Transactions: Give a List of related parties with relationship**

**(a) List of Related Parties**



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| <b>Related Party</b>                      | <b>Nature of Relationship</b> |
|---|-------------------------------|
| Prima Financial Services Ltd              | Associate Concern             |
| Fairdeal supplies ltd                     | Associate Concern             |
| M/s Fairdeal                              | Associate Concern             |
| Scientific Weighbridge & Auto parts       | Associate Concern             |
| Shiv Shakti Steel Pvt. Ltd                | Associate Concern             |
| Frontline Industries Ltd.                 | Associate Concern             |
| Fairdeal Renewable Energy Pvt. Ltd.       | Associate Concern             |
| Falgun Export Pvt. Ltd.                   | Associate Concern             |
| Centre for Advance Studies in Engineering | Associate Concern             |
| Ramprasad Agarwal                         | Key Managerial Personnel      |
| Pawankumar Agarwal                        | Key Managerial Personnel      |
| Saurabh Jhunjunwala                       | Key Managerial Personnel      |
| Bajinath Sons& HUF                        | Relative of KMP               |
| Bhagwani Devi Agrawal                     | Relative of KMP               |
| Gaurav Jhunjunwala                        | Relative of KMP               |
| Hansa Agrawal                             | Relative of KMP               |
| Shraddha Jhunjunwala                      | Relative of KMP               |
| Raja Jhunjunwala                          | Relative of KMP               |
| Mukund Jhunjunwala                        | Relative of KMP               |
| Narayanprasad Agrawal & Sons H.U.F.       | Relative of KMP               |
| Ramprasad Agrawal & sons H.U.F.           | Relative of KMP               |
| Renudevi Jhunjunwala                      | Relative of KMP               |
| Rewadevi Jhunjunwala                      | Relative of KMP               |
| Shilpi Jhunjunwala                        | Relative of KMP               |
| Kritin Jhunjunwala                        | Relative of KMP               |
| Venya Jhunjunwala                         | Relative of KMP               |

**(b) Key Managerial Personnel Compensation: NIL**

**(c) Transactions with related Parties**

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| Sr. No. | Particulars  |                 |                 |
|---------|--|-----------------|-----------------|
|         |  | 2018-19         | 2017-18         |
| 1       | <b><u>Interest on Loan</u></b>                         | <b>466715</b>   | <b>700965</b>   |
|         | Prima Financial Services Ltd.                          | 466715          | 449065          |
|         | Fairdeal Supplies Ltd                                  | -               | 251900          |
| 2       | <b><u>Sale of Goods</u></b>                            | <b>82645637</b> | <b>62979673</b> |
|         | M/S Fairdeal (partnership firm)                        | 66013583        | 48330636        |
|         | Scientific Weigh Bridge & Auto parts(partnership firm) | 16632054        | 14649037        |
| 3       | <b><u>Sale of Services</u></b>                         | <b>1246700</b>  | <b>7950840</b>  |
|         | Shiv Shakti India Pvt Ltd                              | 1246700         | 7950840         |
| 4       | <b><u>Rent Income</u></b>                              | <b>61176</b>    | <b>61176</b>    |
|         | Fairdeal Supplies Ltd                                  | 61176           | 61176           |
| 5       | <b><u>Rent Expense</u></b>                             | <b>2010000</b>  | <b>1895130</b>  |
|         | Fairdeal Supplies Ltd                                  | 66000           | 66000           |
|         | Ramprasad Agrawal                                      | 6,48,000        | 6,08,040        |
|         | Narayan Prasad Agrawal                                 | 6,48,000        | 6,08,040        |
|         | Pawankumar Agrawal                                     | 6,48,000        | 6,08,040        |
|         | Baijnath & Sons-HUF                                    | -               | 5,010           |
|         | Shiv Shakti Pvt Ltd                                    | -               | 40,000          |
| 6       | <b><u>Sale of Assets</u></b>                           | <b>Nil</b>      | <b>3200000</b>  |
|         | Shiv Shakti Steel Pvt Ltd                              | -               | 3200000         |

**(d) Outstanding balance arising from sale or purchase of goods and services**

| Particulars                          | 31-03-2019  | 31-03-2018  |
|--------------------------------------|-------------|-------------|
| <b>Trade Receivable</b>              |             |             |
| Fairdeal                             | 3,04,12,399 | 3,26,67,346 |
| Scientific Weigh Bridge & Auto Parts | 17,10,576   | 30,22,953   |
| Shiv Shakti Steels Pvt Ltd           |             | 17,32,885   |

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**(e) Loans from related parties**

| Particulars            | Prima financial Services Ltd. |           | Fairdeal Supplies Ltd. |           | Pawan kumar Agrawal |           | Saurabh Jhunjunwala |           |
|------------------------|-------------------------------|-----------|------------------------|-----------|---------------------|-----------|---------------------|-----------|
|                        | 2018-19                       | 2017-18   | 2018-19                | 2017-18   | 2018-19             | 2017-18   | 2018-19             | 2017-18   |
| <b>From Associates</b> |                               |           |                        |           |                     |           |                     |           |
| Beginning of the year  | 49,48,278                     | 23,19,120 | -                      | 22,06,655 | -                   | -         | -                   | -         |
| Loan Advancement       | 700000                        | 32,75,000 | -                      | 80,088    | -                   | -         | -                   | -         |
| Repayment made         | -                             | 10,50,000 | -                      | 25,13,453 | -                   | -         | -                   | -         |
| Interest Charged       | 466715                        | 4,49,065  | -                      | 2,26,710  | -                   | -         | -                   | -         |
| <b>From KMP</b>        |                               |           |                        |           |                     |           |                     |           |
| Beginning of the year  | -                             | -         | -                      | -         | -                   | -         | 2,10,000            | 10,00,000 |
| Loan Advancement       | -                             | -         | -                      | -         | 15,00,000           | 25,00,000 | 64,500              | 10,000    |
| Repayment made         | -                             | -         | -                      | -         | 15,00,000           | 25,00,000 | 2,74,500            | 8,00,000  |
| Interest Charged       | -                             | -         | -                      | -         | -                   | -         | -                   | -         |

**(f) Corporate Guarantee**

The company has provided Corporate Bank Guarantee to UCO Bank and J&K Bank in respect of Credit Facilities enjoyed by Fairdeal Supplies Ltd. In respect of such guarantee, company has given some of its Investment Properties as Collateral Securities.

**(g) Terms and conditions**

The loan availed from associated concerns @12% p.a. while loan from Key managerial Personnel availed at Nil rate of interest. The terms of repayment are not finalized by the management.

**35.6 Earnings per Share**

| Particulars   | 31.03.2019    | 31.03.2018  |
|---|---------------|-------------|
| <b>Basic EPS</b>  |               |             |
| From Continuing Operations attributable to equity share holders | <b>(0.67)</b> | <b>3.87</b> |
| From Discontinuing Operations                                   | -             | -           |
| Total Basic EPS attributable to equity Shareholders             | <b>(0.67)</b> | <b>3.87</b> |

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|   |               |             |
|---|---------------|-------------|
| <b>Diluted EPS</b>  |               |             |
| From Continuing Operations attributable to equity share holders | <b>(0.67)</b> | <b>3.87</b> |
| From Discontinuing Operations                                   | -             | -           |
| Total Diluted EPS attributable to equity Shareholders           | <b>(0.67)</b> | <b>3.87</b> |

**Reconciliation of earnings used in calculation of EPS**

| Particulars   | 31.03.2019         | 31.03.2018         |
|---|--------------------|--------------------|
| <b>Basic EPS</b>  |                    |                    |
| Profit attributable to equity shareholders used in calculation of Basic EPS                 | <b>(33,39,082)</b> | <b>1,92,48,290</b> |
| -from continuing operations   | <b>(33,39,082)</b> | <b>1,92,48,290</b> |
| -from discontinued operations   | -                  | -                  |
| <b>Diluted EPS</b>  |                    |                    |
| Profit from continuing operations attributable to equity shareholders                       | <b>(33,39,082)</b> | <b>1,92,48,290</b> |
| Used in calculation of basic EPS  | <b>(33,39,082)</b> | <b>1,92,48,290</b> |
| Add/less  | -                  | -                  |
| Used in calculation of diluted EPS  | <b>(33,39,082)</b> | <b>1,92,48,290</b> |
| Profit from discontinued operation  | -                  | -                  |
| <b>Profit attributable to equity holders of the company used in calculating diluted EPS</b> | <b>(33,39,082)</b> | <b>1,92,48,290</b> |

**Weighted Average number of shares as denominator**

| Particulars  | 31.03.2019       | 31.03.2018       |
|--|------------------|------------------|
| Weighted average number of shares used in calculation of Basic EPS   | <b>49,77,450</b> | <b>49,77,450</b> |
| Adjustment for calculation of diluted EPS  | -                | -                |
| Options  | -                | -                |
| Convertible Bonds  | -                | -                |
| Weighted average number of equity shares and potential equity shares used as denominator in calculation of Diluted EPS | <b>49,77,450</b> | <b>49,77,450</b> |

|  |  |  |
|--|--|--|
|  |  |  |
|--|--|--|

**35.7 Employee Benefits**

**Defined Contribution Plan**

| Particulars                                   | 31.03.2019 |
|---|------------|
| Company's Contribution towards Provident Fund | 2,27,638   |
| Pension Fund                                  | 4,86,761   |
| ESI   | 3,00,436   |

**Defined Benefits Plan**

**Gratuity:** The company has defined benefit gratuity plan in India(funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees.

**Balance sheet disclosures**

**(a) The amounts disclosed in the balance sheet and the movements in the defined benefit obligation over the period:**

| Particulars   | 31.03.2019       | 31.03.2018       |
|---|------------------|------------------|
| <b>Liability at the beginning of the period</b>       | <b>42,77,339</b> | <b>35,46,631</b> |
| Interest Costs  | 3,36,199         | 2,83,730         |
| Current Service Costs                                 | 3,37,272         | 2,83,978         |
| Transfers   | -                | -                |
| Benefits paid   | (6,15,304)       | (3,29,314)       |
| Actuarial (Gain)/Loss on obligations due to change in |                  |                  |
| Demography Assumptions                                | -                | -                |
| Financials Assumptions                                | 33,818           | 68,847           |
| Experience Assumptions                                | (3,11,125)       | 4,23,467         |
|   | <b>40,58,199</b> | <b>42,77,339</b> |
| <b>Liability at the end of the period</b>             |                  |                  |

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**(b) Movements in the fair value of plan assets**

| Particulars   | 31.03.2019       | 31.03.2018       |
|---|------------------|------------------|
| <b>Fair value of plan assets at the beginning of the period</b> | <b>46,89,540</b> | <b>39,17,554</b> |
| Interest Income   | 3,68,598         | 3,13,404         |
| Expected return on plan assets                                  | (72,976)         | (54,137)         |
| Contributions   | 1,00,987         | 8,42,033         |
| Transfers   | -                | -                |
| Benefits paid   | (6,15,304)       | (3,29,314)       |
| <b>Fair value of plan assets at the end of the period</b>       | <b>44,70,845</b> | <b>46,89,540</b> |

**(c) Net liability disclosed above relates to**

| Particulars  | 31.03.2019      | 31.03.2018      |
|--|-----------------|-----------------|
| Fair value of plan assets at the end of the period | 44,70,845       | 46,89,540       |
| Liability as at the end of the period              | (40,58,199)     | (42,77,339)     |
| <b>Net Liability/Asset</b>                         | <b>4,12,646</b> | <b>4,12,201</b> |
| Non-Current Portion                                | -               | -               |
| Current Portion                                    | <b>4,12,646</b> | <b>4,12,201</b> |

**(d) Balance Sheet Reconciliation**

| Particulars                                   | 31.03.2019        | 31.03.2018        |
|---|-------------------|-------------------|
| <b>Opening Net liability</b>                  | <b>(4,12,201)</b> | <b>(3,70,923)</b> |
| -Expenses recognized in the statement of P&L  | 3,04,873          | 2,54,304          |
|   | (2,04,331)        | 5,46,451          |
| -Expenses recognized in the OCI               | (1,00,987)        | (8,42,033)        |
| -Employer's Contribution                      | <b>(4,12,646)</b> | <b>(4,12,201)</b> |
| <b>Amount recognized in the Balance Sheet</b> |                   |                   |

**Profit & Loss Disclosures**

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**(a) Net interest Cost for Current period**

| Particulars              | 31.03.2019      | 31.03.2018      |
|--------------------------|-----------------|-----------------|
| Interest Cost            | 3,36,199        | 2,83,730        |
| Interest Income          | (3,68,598)      | (3,13,404)      |
| <b>Net interest Cost</b> | <b>(32,399)</b> | <b>(29,674)</b> |

**(b) Expenses recognised in the profit & loss statement**

| Particulars   | 31.03.2019      | 31.03.2018      |
|---|-----------------|-----------------|
| Net Interest Cost                                   | (32,399)        | (29,674)        |
| Current Service Cost                                | 3,37,272        | 2,83,978        |
| <b>Expenses recognized in the profit &amp; loss</b> | <b>3,04,873</b> | <b>2,54,304</b> |

**(c) Expenses recognized in the Other Comprehensive Income**

| Particulars                                    | 31.03.2019        | 31.03.2018      |
|--|-------------------|-----------------|
| <b>Remeasurement</b>                           |                   |                 |
| Expected return on plan assets                 | 72,976            | 54,137          |
| Actuarial (Gain) or Loss                       | (2,77,307)        | 4,92,314        |
| <b>Net Income / Expenses recognized in OCI</b> | <b>(2,04,331)</b> | <b>5,46,451</b> |

**Sensitivity Analysis**

| Particulars  | 31.03.2019 | 31.03.2018 |
|--|------------|------------|
| <b>Projected Benefit obligation on current assumptions</b> | 40,58,199  | 42,77,339  |
| Delta effect of 1% change in Rate of                       |            |            |
| -Discounting   | (4,46,651) | (4,56,268) |
| -Salary Increase   | 5,31,180   | 5,45,124   |
| -Employee Turnover   | 32,888     | 38,954     |
| Data effect of (-1%) change in Rate of                     |            |            |

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|                    |            |            |
|--------------------|------------|------------|
| -Discounting       | 5,31,180   | 5,45,900   |
| -Salary Increase   | (4,53,561) | (4,63,580) |
| -Employee Turnover | (37,725)   | (44,750)   |

**Significant Actuarial Assumptions**

| Particulars                   | 31.03.2018 | 31.03.2018 |
|-------------------------------|------------|------------|
| Discount Rate                 | 7.79%      | 7.86%      |
| Rate of return on Plan Assets | 7.79%      | 7.86%      |
| Salary Escalation             | 7.00%      | 7.00%      |
| Attrition Rate                | 1.00%      | 1.00%      |

**35.8 Provisions, Contingent Liabilities and Contingent Assets**

**Contingent Liability not provided for**

| Particulars  | 2018-19               | 2017-18               |
|--|-----------------------|-----------------------|
| Corporate Bank Guarantee   | 3,18,00,00,000        | 3,18,00,00,000        |
| Claims against the Company not acknowledged as debts (including MACT claims aggregating to Rs.3,49,00,258/- for which the Company holds adequate Insurance)  | 4,01,51,518           | 4,01,51,518           |
| Disputed Direct and Indirect Taxes for which appeals are pending at different forums   | Nil                   | 1,12,186              |
| Appeal filed before Gujarat High Court against order of 2 <sup>nd</sup> Additional Senior Civil Judge, Bharuch in the matter of Suit filed by The New India Insurance Co Ltd to recover amount under The Carries Act | 2,12,87,770           | 2,12,87,770           |
| <b>TOTAL CONTINGENT LIABILITY</b>  | <b>3,24,14,39,288</b> | <b>3,24,15,51,474</b> |

The company has provided Corporate Bank Guarantee to UCO Bank and J&K Bank in respect of Credit Facilities enjoyed by Fairdeal Supplies Ltd. In respect



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of such guarantee, company has given some of its Investment Properties as Collateral Securities. Details of such Assets have been given in Note No 6. UCO Bank has issued demand notice dated 05-08-2012 to the borrowers/guarantors/mortgagors to repay the amount mentioned in the notice being Rs 235,94,31,422.65, failing on which the bank has taken Symbolic Possession of the properties in exercise of powers conferred upon them under the SARFAESI Act, 2002. However the company has entered into an agreement with respective bank for settlement of due amount.

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

**As Per our Report of Even Date**

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

**Sd/-**

**Paresh K. Thothawala**  
**Partner**  
**M.No. 48435**

**Date:30-05-2019**

**Place: Ahmedabad**

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

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

**On Behalf of Board of**  
**Frontline Corporation Ltd**

**Sd/-**

**Narayanprasad Agarwal**  
**Director**  
**(DIN NO: 00060384)**

**Sd/-**

**Pawankumar Agarwal**  
**Managing Director**  
**(DIN NO: 00060418)**

**Date:30-05-2019**

**Place: Ahmedabad**

**Frontline Corporation Limited**  
**30<sup>th</sup> Annual Report - 2018-2019**

**ATTENDANCE SLIP**

DP ID \_\_\_\_\_  
(To be presented at the entrance)

Folio No./ Client ID

\_\_\_\_\_  
I/We hereby record my/our presence at the 30<sup>th</sup> Annual General Meeting of the company at 4, B. B. D. Bag (East) Stephen House, Room No. 5, 1<sup>st</sup> Floor, Kolkata-700001 on **Thursday, 19<sup>th</sup> September, 2019** 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

**Frontline Corporation Limited**  
**30<sup>th</sup> Annual Report - 2018-2019**

**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:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30<sup>th</sup> Annual General Meeting of the company to be held on **Thursday, 19<sup>th</sup> September, 2019** at 10.00 a.m. at 4, B. B. D. Bag (East), Stephen House, Room No. 5, 1<sup>st</sup> Floor, and Kolkata-700001 and at any adjournment thereof in respect of such resolution as are indicate below:

| Resolutions<br>No. | Particulars of Resolution | Voting |         |
|--------------------|---------------------------|--------|---------|
|                    |                           | For    | Against |
|                    | <b>ORDINARY BUSINESS</b>  |        |         |

**Frontline Corporation Limited**  
**30<sup>th</sup> Annual Report - 2018-2019**

|   |   |  |  |
|---|---|--|--|
| 1 | Consider and adopt Audited Financial Statements of the Company for the year ended 31 <sup>st</sup> March, 2019 together with the Reports of the Board of Directors and Auditors' thereon and other documents attached |  |  |
| 2 | To Reappoint Mr. Ram Prasad Agarwala, Director of the Company (holding Director Identification Number 00060359), who retires by rotation and, being eligible, himself for Re-appointment.                             |  |  |
| 3 | To Reappoint Mr. Saurabh Jhunhunwala Director of the Company (holding Director Identification Number 00060432), who retires by rotation and, being eligible, himself for Re-appointment.                              |  |  |
| 4 | Appointment of Auditors of the Company and fixing their remuneration  |  |  |
|   | <b>SPECIAL BUSINESS</b>   |  |  |
| 5 | Approval of Loans and Advances to Companies or Bodies Corporate in which Directors are interested.  |  |  |
| 6 | Reappointment of Mr. Virendra Sharma ( DIN : 01148786 ) as an Independent Director of the Company   |  |  |
| 7 | Reappointment of Mrs. Aarefa Kutub Kapasi ( DIN : 07127418 ) as an Independent Director of the Company  |  |  |
| 8 | Appointment of Mr. Rajesh Vasantlal Tripathi, ( DIN : 08362877 ) as an Independent Director of the Company  |  |  |
| 9 | Appointment of Mr. Sanket Dipakbhai Sheth, ( DIN : 08405839 ) as an Independent Director of the Company   |  |  |

Signed this \_\_\_\_\_ day of September, 2019

Affix Revenue Stamp

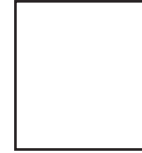
Signature of the Shareholder \_\_\_\_\_

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

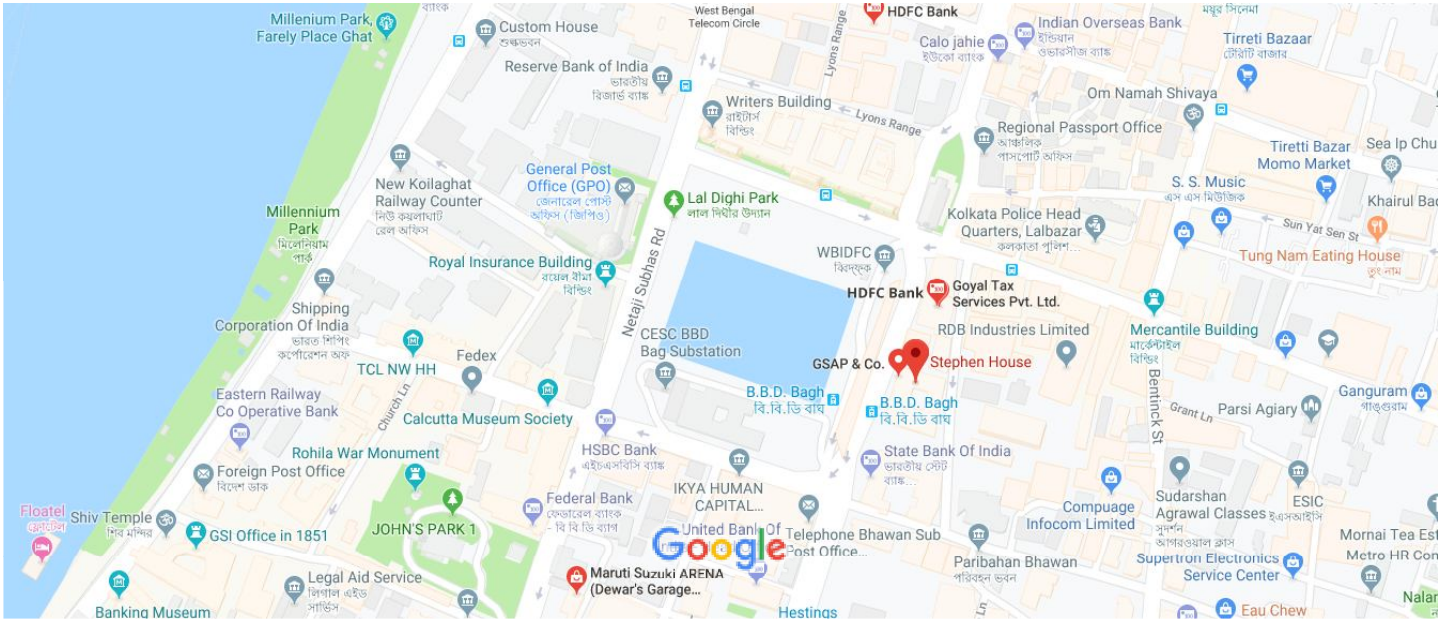
Signature of second proxy holder \_\_\_\_\_

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

Affix a  
Stamp



# Google Maps Stephen House



Map data ©2019 Google 100 m



## Stephen House

স্টিফেন হাউস

4.1 ★ ★ ★ ★ (385)

Business center



Directions



Save



Nearby



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6 E, Binoy Badal Dinesh Bag E, Lal Dighi, Lal Bazar, Kolkata, West Bengal 700001



H9C2+H7 Kolkata, West Bengal



033 4600 6742



**FRONTLINE CORPORATION LIMITED**  
**26<sup>th</sup> Annual Report (2014-2015)**

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If Undelivered Please return

To **FRONTLINE CORPORATION LIMITED**

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