



# FRONTLINE CORPORATION LTD.

Corporate Office :  
4th Floor, Shalin Bldg. Nehru Bridge Corner,  
Ashram Road, Ahmedabad - 380 009.  
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E-mail: frontlinecorporplimited@gmail.com  
Website:www.frontlinecorporation.org

CIN NO.: L63090WB1989PLC099645

September 06, 2022

To,

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

Most Respectfully,

**Subject: Intimation of 33<sup>rd</sup> Annual General Meeting and submission of Annual Report for the Financial Year 2021-22**

Pursuant to Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") (as amended), please find enclosed herewith Notice convening the 33<sup>rd</sup> Annual General Meeting ("33<sup>rd</sup> AGM") and the Annual Report of Frontline Corporation Limited ("the Company") for the Financial Year 2021-22.

The 33<sup>rd</sup> AGM of the Company for the Financial Year 2021-22 has been scheduled to be held on Friday, September 30, 2022 at 3:00 p.m. through Video Conferencing/ Other Audio Visual Means ("VC/ OAVM") facility to transact the business as set out in the Notice of the 33<sup>rd</sup> AGM, in compliance with the applicable provisions of the Companies Act, 2013 ("Act"), the General Circular No. 2/2022, file no. Policy-17/57/2021-CL-MCA dated May 05, 2022 issued by the Ministry of Corporate Affairs and circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by SEBI (hereinafter collectively referred to as "the circulars") and in compliance with SEBI Listing Regulations.

Pursuant to Regulation 42 of the SEBI Listing Regulations and Section 91 of the Companies Act, 2013, we hereby inform you that the Register of Members and Share Transfer Books of the Company will remain closed **from Saturday, 24<sup>th</sup> September, 2022 to Friday, 30<sup>th</sup> September, 2022 (both the days inclusive)** for the purpose of 33<sup>rd</sup> AGM of the Company.

Further, pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing the facility to its Members whose names appear in the Register of Members / list of Beneficial





Owners as on **September 23, 2022 (Friday)** ("Cut-off date") to exercise their right to vote by electronic means both through remote e-voting or e-voting at the 33 AGM through National Securities Depository Limited ("NSDL") Platform. The remote e-voting will commence at **09:00 A.M. (IST) on Tuesday, 27<sup>th</sup> September, 2022** . and end at **05:00 P.M. (IST) on Thursday, 29<sup>th</sup> September, 2022**.

The instructions on the process of e-voting, including the manner in which the Members holding shares in physical form or who have not registered their e-mail addresses can cast their vote through e-voting, has been provided as part of the Notice of the 33<sup>rd</sup> AGM.

This information and Annual Report are also available on website of the Company at <https://www.frontlinecorporation.org/>. Kindly take the same on record.

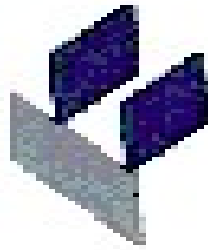
Thanking you,

Yours Faithfully,  
For, **Frontline Corporation Limited**

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



Encl: As above



# **FRONTLINE CORPORATION LIMITED**

**33<sup>rd</sup> Annual Report**

**(2021-2022)**

**Frontline Corporation Limited**  
**33<sup>rd</sup> Annual Report – 2021-2022**

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33<sup>rd</sup> ( Thirty Third ) Annual General Meeting of the Members of Frontline Corporation Limited (the "Company") will be held on Friday, 30<sup>th</sup> September, 2022 at 15.00 Hours (IST) through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")

# Frontline Corporation Limited

## 33<sup>rd</sup> Annual Report – 2021-2022

### Board of Directors:

Mr. Ram Prasad Agarwal	:	Director & Chairman
Mr. Narayan Prasad Agarwal	:	Director
Mr. Saurabh Jhunhunwala	:	Director
Ms. Aarefa Kutub Kapasi	:	Independent Women Director
Mr. Virendra Sharma	:	Independent Director
Mr. Pawan Kumar Agarwal	:	Managing Director
Mrs. Dipika Pradeep Soni	:	Independent Women Director
Mr. Rajesh Vasantlal Tripathi	:	Independent Director (upto 26.06.2021 )
Mr. Dipen Ashit Dalal	:	Independent Director (From 29.06.2021)

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

**Chief Financial Officer** : Mr. Roshan Lal Saklani (Upto 01.05.2021 )  
: Mrs. Komal Mihir shah (from 10.06.2021)

**Statutory Auditors** : M/s. S M PANSURIYA & CO.,  
Chartered Accountants,  
Ahmedabad.

**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  
Punjab National Bank

**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 33<sup>rd</sup> ( Thirty Third ) Annual General Meeting of the Members of Frontline Corporation Limited (the “Company”) will be held on Friday, 30<sup>th</sup> September, 2022 at 15.00 Hours (IST) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) to transact the following businesses:

### **Ordinary Business:**

1. To receive, consider and adopt the audited Statement of Profit and Loss for the year ended March 31, 2022 and the Balance Sheet for the year ended on March 31, 2022 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 Jhunjunwala, Director of the Company (holding Director Identification Number 00060432), liable to retire by rotation in terms of section 152(6) of the companies Act, 2013 and, being eligible, offers himself for Re-appointment.

### **SPECIAL BUSINESS:**

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

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013, read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to such other requisite approvals, if any, in this regard from appropriate authorities and terms(s), condition(s), amendment(s), modification(s), as may be required or suggested by any such appropriate authorities, and agreed to by the Board of Directors of the Company (hereinafter referred to as “Board” which term shall include any Committee), the consent of the members of the Company be and is hereby accorded to adopt new set of Article of Association in place of existing Articles of Association of the Company, copy of which is placed before the meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To give loan or make investment or give guarantee or provide security in connection with loan to another company or body corporate or person under section 186 of Companies Act, 2013 and in this regard consider and, if thought fit, to pass the following resolution as a **Special Resolution:-**

“RESOLVED THAT pursuant to section 186 and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with the Companies (Meeting of the board and its powers) Rules, 2014 made thereunder and subject to the provisions of Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the board of directors (hereinafter referred to as the “Board”, which term shall include any Committee constituted by the Board or any

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person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to (a) grant/give loans, from time to time, on such terms and conditions as it may deem expedient, to any person or other bodies corporate; (b) provide guarantee / security to secure any loan / obligations of any other person or bodies corporate; and (c) acquire by way of subscription, purchase or otherwise the securities of any other bodies corporate, in excess of limits prescribed under Section 186 of the Companies Act, 2013, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject to maximum aggregate amount not exceeding Rs. 25 crores (Rupees Twenty Five Crores only) at any time with the existing loans, investments and Guarantees.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and file returns with Registrar of Companies, that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

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

Place: Ahmedabad  
Date: 2<sup>nd</sup> September, 2022

Sd/-  
**Ramprasad Agarwal**  
Director  
DIN : 00060359

# Frontline Corporation Limited

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### NOTES:

1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (hereinafter referred to as the “Act”), in respect of businesses to be transacted at the Annual General Meeting (hereinafter referred to as “AGM”), as set out under Item No(s). 4 and 5 above and the relevant details of the Directors as mentioned under Item No(s). 4 and 5 above as required by Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (hereinafter referred to as “Listing Regulations”) and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed thereto.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 02/2021 dated 13<sup>th</sup> January, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint Authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 02/2021 dated January 13, 2021 and MCA Circular No. 02/2022 dated May 5, 2022.
7. Members holding Shares in Electronic mode are requested to register/ update their e-mail address with their respective Depository Participants “DPs” for receiving all communications from the company electronically.
8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.



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9. The Members of the company holding Shares as on Friday, 26<sup>th</sup> August, 2022 (Cut-off date for entitlement of Annual Report), shall be eligible for receiving the Annual Report 2021 -22 along with the notice of the 33<sup>rd</sup> Annual General Meeting, by electronic mode to all the members whose email addresses are registered with the Depository Participant(s).
10. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013 and rule 19 (1) of the Companies (Share Capital and debentures) Rules 2014. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility or contact the Company. Blank forms will be supplied on request.
11. Members who hold shares in dematerialized mode are requested to intimate any changes pertaining with their bank account details, ECS mandates, nominations, change of address/name etc. to their Depository Participant. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrar & Share Transfer Agent to provide efficient and better service to the members.
12. All the Shareholders of the Company are holding Shares in Demat mode, and none of the Shareholders are having Shares in Physical Mode. Bifurcation of holding of Shares in Depositories as on 31<sup>st</sup> March, 2022 is forming part of this report.
13. Route map and prominent land mark for easy location of venue of the AGM is not provided in the Annual Report since Annual General Meeting is to be held through VC/OAVM.

### **ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF E-MAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:**

14. In accordance with, the SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13<sup>th</sup> May, 2022 there is no requirement for sending hard copies of annual report to the Shareholders if Annual General Meeting is held upto 31<sup>st</sup> December, 2022. Accordingly copies of Annual Report for the year 2021-22 together with the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
15. The Notice of AGM along with Annual Report for the financial year 2021-22, is available on the website of the Company at [www.frontlinecorporation.org](http://www.frontlinecorporation.org), on the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of National Securities Depository Limited (NSDL) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

### **PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:-**

16. In view of the current extraordinary circumstances due to the pandemic caused by covid-19 prevailing in the country the company is offering e-voting facility to all Members of the Company pursuant to provisions of Section 108 of the Act read with Rules made there under and Regulation 44 of the SEBI Listing Regulations. A person, whose name is recorded in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on 24<sup>th</sup> September, 2022, being the cut-off date, shall be entitled to avail the facility of remote e-voting to enable the members to cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only. Members can cast their vote online from 09:00 A.M. (IST) on Tuesday, 27<sup>th</sup> September, 2022 to 05:00 P.M. (IST) on Thursday, 29<sup>th</sup> September, 2022. At the end of remote e-voting period, the facility shall forthwith be blocked.

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17. Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
18. Only those Members, who will be present in the AGM through VC/ OAVM facility and have not cast their vote on Resolutions through remote e-voting, and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
19. EVEN OF FRONTLINE CORPORATION LIMITED is **121907**. The details of process and manner for remote e-voting are as under:

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**Details on Step 1 are mentioned below:**

**1. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

a) Login method for Individual shareholders holding securities in demat mode is given below:

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in demat mode with NSDL.	<p>1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under “<b>IDeAS</b>” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS</b>” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p>

	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**b) Login Method for shareholders other than Individual shareholders holding securities in demat mode**

**How to Log-in to NSDL e-Voting website?**

- a) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- b) Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- c) A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

d) Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL)</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****

- e) Password details for shareholders other than Individual shareholders are given below:
- i. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - ii. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - iii. How to retrieve your ‘initial password’?
    - If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
- f) If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
- i. Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - ii. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - iii. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- g) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- h) Now, you will have to click on “Login” button.
- i) After you click on the “Login” button, Home page of e-Voting will open.

**Details on step 2 are mentioned below:**

**a) How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

- a) After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
- b) Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”. Now you are ready for e-Voting as the Voting page opens.
- c) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- d) Upon confirmation, the message “Vote cast successfully” will be displayed.
- e) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- f) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**b) Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

- a) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [cs@hecproject.com](mailto:cs@hecproject.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
- b) Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
- c) In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**c) THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

- a) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- b) Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- c) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- d) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Pratik Bhatt (Tel No.: 022-24994738) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**PROCEDURE FOR JOINING THE AGM THROUGH VC/OAVM**

20. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
21. Members are encouraged to join the Meeting through Laptops for better experience.
22. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
23. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**PROCEDURE TO ASK QUESTIONS/SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:**

24. As the AGM is being conducted through VC/OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [frontlinecorporlimited@gmail.com](mailto:frontlinecorporlimited@gmail.com) Questions/queries received by the Company till 11:00 a.m. on Friday, 30<sup>th</sup> September, 2022 shall only be considered and responded during the AGM. Please note that, members questions will be answered only, the shareholder continue to hold the shares as of cut-off date benpos.
25. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

**PROCEDURE FOR INSPECTION OF DOCUMENTS:**

26. 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 10.00 a.m. to 5.00 p.m. from the date of hereof up to the date of the Annual General Meeting.

**GENERAL INFORMATION:**

27. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [janalakesh@gmail.com](mailto:janalakesh@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
28. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

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29. The voting rights of Members shall be in proportion to the number of shares held by them in the equity share capital of the Company as on Saturday, 24<sup>th</sup> September, 2022 (cut-off date for entitlement of voting rights) for determining the eligibility to vote at the Meeting. In case of joint holders, the Members whose name appears as the first holder in the order of names as per the Register of Members of the Company shall be entitled to vote at the AGM.
30. The Board of Directors have appointed M/s. Jalan Alkesh & Associates, Practicing Company Secretaries (Membership No.: F10620 and CP No.: 4580) as the Scrutinizer to scrutinize the entire e-voting process in a fair and transparent manner. The Scrutinizer will submit his report to the chairman or Company Secretary or any person authorized by him immediately after the conclusion of the AGM of the Company.
31. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. 30<sup>th</sup> September, 2022
32. The results of the e-voting shall be declared not less than 48 (forty-eight) hours from conclusion of the AGM. The results along with the report of the Scrutinizer shall be placed on the website of the Company <https://www.frontlinecorporation.org/> and the same shall be communicated to Stock Exchanges where the shares of the Company are listed.
33. Pursuant to the provision of Section 91 of the Companies Act , 2013 the registered of members and share transfer books of the Company will remain close from Saturday, 24<sup>th</sup> September, 2022 to Friday, 30<sup>th</sup> September, 2022 (both the days inclusive), for the purpose of annual general meeting.
34. 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)

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

Sd/-

**Ramprasad Agarwal**  
Director  
DIN : 00060359

Place: Ahmedabad  
Date: 2<sup>nd</sup> September, 2022



**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	:	68 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, 2022	:	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	:	3
Directorships of other Boards as on March 31, 2022 ( Excluding Private Limited Companies )	:	1. Prima Financial Services Limited 2. Frontline Industries Limited 3. Fairdeal Supplies Limited
Membership / Chairmanship* of Committees of other Boards as on March 31, 2022	:	Member of Audit Committee of Fairdeal Supplies Limited Member of Corporate Social Responsibility Committee of Fairdeal Supplies Limited.

**2. Shri Saurabh Jhunjhunwala**

Director Identification Number (DIN)	:	00060432
Nationality	:	Indian
Date of Birth	:	11.01.1976
Age	:	46 Years
Date of Appointment on the Board	:	01.12.1999
Qualification	:	B. Com
Nature of Expertise in functional areas	:	Shri Saurabh Jhunjhunwala aged about 46 years is a Commerce Graduate having about 24 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 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, 2022	:	105440 Equity Shares
Relationship with other Directors / Key Managerial Personnel	:	Mr. Ramprasad Agarwal is the father of Mr. Saurabh Jhunjhunwala
Number of meetings of the Board attended during the year	:	5
Directorships of other Boards as on March 31, 2022 ( Excluding Private Limited Companies )	:	1. Fairdeal Supplies Limited
Membership / Chairmanship* of Committees of other Boards as on March 31, 2022	:	Nil

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

**Item No. 4**

The Articles of Association (“AOA”) of the Company as presently in force are based on the erstwhile Companies Act, 1956 and several regulations in the existing AOA are no longer in conformity with the Companies Act, 2013. Further several regulations / articles of the existing AOA of the Company require alteration or deletion pursuant to changes in applicable laws. Therefore, it is considered expedient to wholly replace the existing AOA by a new set of Articles.

The new set of AOA to be substituted in place of the existing AOA. Copy of the draft Articles of

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Association of the Company would be available for inspection by the members at the Registered Office / Corporate Office of the Company on any working day between 2 P.M. to 4 P.M. upto and including the date of AGM and also at the venue of the meeting. None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice

### **ITEM NO. 5**

Members may note that pursuant to Section 186 of the Companies Act, 2013 (“Act”), the Company can give loan or give any guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities of any other body corporate, in excess of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with approval of Members by special resolution passed at the general meeting.

In order to make optimum use of funds available with the Company or available in future and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate as and when required.

In view of the aforesaid, it is proposed to take approval under Section 186 of the Companies Act, 2013, by way of special resolution, up to a maximum aggregate amount not exceeding Rs. 25 Crores, as proposed in the Notice at any time along with existing loans, investments and Guarantees.

The above proposal is in the interest of the Company and the Board recommends the Resolution as set out at Item No.5 for approval by the members of the Company.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the resolution at Item no. 5 of the accompanying notice.

The Board recommends the resolution at Item no. 5 to be passed as Special Resolution.

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

Place: Ahmedabad  
Date: 2<sup>nd</sup> September, 2022

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

## Directors' Report

To  
The Members,  
**Frontline Corporation Limited**

Your Directors have pleasure in presenting their 33<sup>rd</sup> Annual Report along with Audited Accounts for the year ended on March 31, 2022.

<b>Financial Performance and Appropriations :</b>	( Rs in Lacs ) Current Year ended on 31-03-2022	( Rs in Lacs ) Current Year ended on 31-03-2021
Revenue from Operations	7174.72	5860.43
Other Income	351.00	314.85
Total Income	7525.73	6175.28
Finance Charges	28.15	42.20
Depreciation	174.91	201.20
Profit /( Loss) before Taxation	184.02	130.45
Provision for Taxes – Current	59.30	27.0
Provision for Taxes – Deferred	(20.24)	(11.21)
Profit /( Loss) for the year from continuing operations	144.96	114.67
Other comprehensive Income ( Net of Tax )	1.11	2.7
Total Comprehensive Income	143.85	117.37

### **RESERVES AND SURPLUS :**

The Company has transferred the whole of the Profit of Rs. 143.85 Lacs to Retained Earnings. Further Other Comprehensive Income of Rs. (1.11) Lacs has been transferred to the Retained Earnings.

### **DIVIDEND :**

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

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

### **STATE OF AFFAIRS**

Revenue from operations has increased from Rs. 5860.43 Lacs to Rs. 7174.72 Lacs which is approximately increase of 22.43%. The financial charges have declined from Rs. 42.20 Lacs to Rs. 28.15 Lacs which is approximately a decline of 33.3%.

### **CHANGE IN NATURE OF COMPANY BUSINESS:**

The Company is engaged in the business of transportation, wind energy, trading of automotive parts,

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Petroleum distribution and renting of immovable properties. During the year under review the Company has added the following objects to its Memorandum of Association:

To carry on the business of manufacturing, buying, selling, re-selling, sub- -contracting, exchanging, hiring, altering, importing, exporting, improving, assembling, distributing, servicing, repairing and dealing in any manner whatsoever in all type of goods on retail as well as on wholesale basis in India or elsewhere including commodity trading of all types including gold, silver, aluminum, copper, platinum, precious metals, Jewellery, precious stones and articles made of gold, silver or other precious metals.

Other than this there is no change in nature of Company Business.

### **DETAILS OF DIRECTORS / KEY MANAGERIAL PERSONNEL APPOINTED / RESIGNED:**

#### **APPOINTMENTS:**

Mrs. Komal Mihir Shah was appointed as Chief Financial Officer with effect from 10<sup>th</sup> June, 2021.

The Board of Directors of the Company at its meeting held on June 29, 2021 appointed Mr. Dipen Ashit Dalal as an Additional Director of the Company in the capacity of Independent Director. Further in the annual general meeting of the Company held on 25<sup>th</sup> September, 2021 Mr. Dipen Ashit Dalal was appointed as an Independent Director for a term of 5 years upto 28<sup>th</sup> June, 2026.

Other than the above, there was no appointment of Director or Key Managerial Personnel.

#### **REAPPOINTMENTS:**

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.

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

#### **RESIGNATION AND CESSATION:**

However during the financial year, there was change in Chief Financial Officer. Mr. Roshanlal Saklani ceased to be Chief Financial Officer with effect from 1<sup>st</sup> May, 2021 due to demise.

Further Mr. Rajesh Vasantlal Tripathi has ceased to be independent director with effect from 28<sup>th</sup> June, 2021.

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

### **DETAILS OF SUBSIDIARY COMPANIES / JOINT VENTURES / ASSOCIATE COMPANIES:**

During the year under review, there was no 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**

Pursuant to Provisions of Rule 2 (1) (c) (viii) of the Companies (Acceptance of Deposit) Rules, 2014 an amount of Rs. 53.13 Lacs is outstanding as on 31<sup>st</sup> March, 2022 from the Directors of the Company

**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.

However during the year under review the Honourable Court of Alipore has compounded the offence and passed necessary order under

Section 372A of the Companies Act, 1956  
Section 142 read with Section 138 of the Companies Act, 1956  
Section 142 read with Section 125 of the Companies Act, 1956  
Section 142 of the Companies Act, 1956

The Company has paid necessary amount of penalty as per the Order. The Order did not have any material effect on the operations of the Company.

Further the following are the dues pending on account of dispute

Nature of Dues			Amount (Rs.)
Service Tax			22,938
Income Tax as below:			
A.Y.	Demand raised u/s	Remarks	Amount (Rs.)
2010-11	143(3)	It is about interest u/s 220(2)- To Pay	261,799
2017-18	143(3)	Various additions-NFAC, New Delhi-Appeal hearing pending before NFAC	3,711,726
2017-18	270A	Penalty matter against Various additions confirmed-NFAC, New Delhi-Appeal hearing pending before NFAC	12,997,912
2018-19	143(1)(a)	Book Profit doubled due to schema error- DCIT-CPC-By filing 154 application demand will be dropped	3,975,520
Total			20,946,957

The Company has filed a Civil Suit (CS) no.217 of 2013 in Honourable Calcutta High Court against Punjab & Sind Bank in regard to Specific Performance of Agreement related to 8 Old Court House Street, Kolkata – 700 01 property which Punjab & Sind Bank the Bank intended to sale. Matter stayed by the High Court and The Bank preferred to file an appeal at the Honourable Supreme Court against the order of Honourable Calcutta High Court.

Further Tata Consultancy Services Limited has filed a suit against the Company in relation to the Security deposit against rent of property at Gandhinagar, Gujarat. The matter is under settlement with Tata Consultancy Services Limited.

The Company has filed an appeal with Honourable High Court of Gujarat against the order passed by 2<sup>nd</sup> Additional Senior Civil Judge, Bharuch in Special Civil Suit No. 36 of 2010. The Order passed by 2<sup>nd</sup> Additional Senior Civil Judge, Bharuch in Special Civil Suit No. 36 of 2010 was in favor of New India Assurance Co. Limited. The amount involved in appeal is Rs. 1,32,85,384/-.

The Company has filed an appeal with Honourable High Court of Gujarat against the order passed by 2<sup>nd</sup> Additional Senior Civil Judge, Bharuch in Special Civil Suit No. 28 of 2010. The Order passed by 2<sup>nd</sup> Additional Senior Civil Judge, Bharuch in Special Civil Suit No. 28 of 2010 was in favor of New India Assurance Co. Limited. The amount involved in appeal is Rs. 80,02,430/-.

Other legal cases in the opinion of the Board are not of material nature.

#### **INTERNAL FINANCIAL CONTROLS:**

The Company has adequate internal financial controls commensurate with the size and nature of its business 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 **PROFIT** 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:**

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 The Calcutta Stock Exchange. The Company is regular in payment of listing fees. The Company has paid the listing fees for the year 2022 – 2023.

**AUDITORS AND AUDITORS REPORT:**

M/s. S M PANSURIYA & CO., Chartered Accountants, Ahmedabad were appointed as Statutory Auditors 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 Auditors of the Company and also confirming their eligibility to act Statutory Auditors of the Company.

Pursuant to the notification of Ministry of Corporate Affairs, ratification is not required.

The auditors observations and its reply are as under :

Sr. No.	Basis for Qualified Opinion	Reply of the Board of Directors
1	Notes to the standalone financial results, regarding Non provision of interest of Rs. 442.26 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 under stated and profit is overstated to the extent of non-provisions of interest.	The interest provision on NPA bank accounts has not been accounted due to legal dispute between company and lender as Double Bench of Hon'ble Calcutta High Court issued order in favour of the company. The Bank filed a Special Leave Petition against the said order of the Double Bench of Hon'ble Calcutta High Court in Hon'ble Supreme Court. The matter is being heard there at.



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2	Notes 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 31st March, 2022 was also qualified in respect of this matter.	The qualified opinion raised by the Statutory Auditors of the Company in their Independent Auditors' Report it is stated that the attachment of properties by the Bank is a legal process and the Company is taking all legal steps to protect the property. Further the Company is taking all steps to make the settlement of the matter and the Company is actively undertaking the settlement matter with the Banks. Further the Company is also making all its efforts to repay the debt and to release the property.
3	Due to uncertain consequence in this matter we are unable to identify impact if any on standalone financial statement, our audit opinion is qualified.	As per above
	<b>Emphasis of the Matter</b>	Reply of the Board of Directors
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 Securitization Application in the Debts Recovery Tribunal, Calcutta, which is pending. The lender has also filed an Original Application in the Debts Recovery Tribunal, Calcutta, which is pending. The company has also filed a Civil Suit in Hon'ble Calcutta 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 Hon'ble Supreme Court against the order of Hon'ble Calcutta High Court. This matter is 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.	The note itself is explanatory
2	Non Availability of balance confirmation from some of the suppliers and loans & Advances	The Company has send balance confirmation to the suppliers and loans and advances. The confirmation from suppliers and loans and advances are pending for small amount and are not material. Further the Company is making substantial efforts to get the confirmation.

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Further attention to note 2.2 to the standalone Ind AS financial statements, which describes the uncertainty caused by Novel Corona virus (COVID-19) pandemic with respect the carrying amount of receivables, unbilled revenues, and tangible assets. Our opinion is not modified in respect of this matter.

**Reply:** Impact of Novel Corona virus is beyond the control of the Company. It is due to the external factor over which the company has no control.

### **FRAUD REPORTING:**

No fraud has been reported by the auditor pursuant to the Section 143 (12) of the Companies Act, 2013.

### **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.

### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the year under report were on an arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company during the year. Related Party Transactions Policy is available on the website of the Company at [www.frontlinecorporation.org](http://www.frontlinecorporation.org). The details of transactions with the related party is provided in . No advance is / was paid for entering into related party transactions.

The prices paid to the related party transactions are based on the ruling market rate at the relevant point of time. The requisite details in form AOC – 2 is attached herewith as **Annexure - II** which forms part of the Directors Report.

### **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, 2021 is provided on the website of the Company i.e. [www.frontlinecorporation.org](http://www.frontlinecorporation.org)

### **SECRETARIAL AUDIT REPORT:**

Pursuant to Section 204 of the Act, the Secretarial Audit Report for the Financial Year ended 31st March, 2022 given by M/s. Jalan Alkesh & Associates, Practising Company Secretary is annexed as Annexure III to this Report.

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

- A) *The Company has not filed the form for charge satisfaction of Jammu and Kashmir Bank Limited.*

**Board Reply:** With respect to the charge satisfaction of Jammu and Kashmir Bank the same will be done by the Company at the earliest.

**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 IV to the Report.

The details in respect of Disclosure under Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure V of the 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 VI and the Corporate Governance Report which is attached herewith and forms part of the report and which is attached as Annexure VII.

**PARTICULARS OF LOANS / GUARANTEES / INVESTMENT:**

The details of the investments and loans including security deposit, if any is mentioned in note no. 12 and 16 of the Balance Sheet. The loans are provided for business purpose. 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. 35.6 of the Financial Statements.

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, 2020. 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. Dipen Ashit Dalal
- (C) Mrs. Aarefa Kutub Kapasi
- (D) Mrs. Deepika Pradeep Soni

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

**NUMBER OF BOARD MEETINGS**

During the year the Board of Directors met 11 (Eleven) times. The dates of the Board meetings are as under:

Sr. No.	Date of Board Meeting	No. of Directors entitled to attend the meeting	No. of Directors attending the meeting	Name of the Director attending the meeting
1	01/04/2021	8	4	1. Mr. Virendra Sharma 2. Mr. Rajesh Vasantlal Tripathi 3. Mrs. Aarefa Kutub Kapasi 4. Mrs. Dipika Pradeep Soni
2	12/04/2021	8	4	1. Mr. Ram Prasad Agrawal 2. Mr. Narayan Prasad Agrawal 3. Mr. Saurabh Jhunjhunwala 4. Mr. Virendra Sharma
3	06/05/2021	8	3	1. Mr. Pawankumar Agrawal 2. Mrs. Aarefa Kutub Kapasi 3. Mrs. Dipika Pradeep Soni
4	10/06/2021	8	5	1. Mr. Ram Prasad Agrawal 2. Mr. Pawankumar Agrawal 3. Mr. Rajesh Vasantlal Tripathi 4. Mrs. Aarefa Kutub Kapasi 5. Mrs. Dipika Pradeep Soni
5	29/06/2021	8	6	1. Mr. Ram Prasad Agrawal 2. Mr. Pawankumar Agrawal 3. Mr. Saurabh Jhunjhunwala 4. Mr. Virendra Sharma 5. Mrs. Aarefa Kutub Kapasi 6. Mrs. Dipika Pradeep Soni
6	14/08/2021	8	6	1. Mr. Pawankumar Agrawal 2. Mr. Saurabh Jhunjhunwala 3. Mr. Virendra Sharma 4. Mr. Dipen Ashit Dalal 5. Mrs. Aarefa Kutub Kapasi 6. Mrs. Dipika Pradeep Soni
7	24/08/2021	8	4	1. Mr. Pawankumar Agrawal 2. Mr. Dipen Ashit Dalal 3. Mrs. Aarefa Kutub Kapasi 4. Mrs. Dipika Pradeep Soni

## Frontline Corporation Limited 33<sup>rd</sup> Annual Report – 2021-2022

8	13/11/2021	8	6	1. Mr. Pawankumar Agrawal 2. Mr. Saurabh Jhunjhunwala 3. Mr. Virendra Sharma 4. Mr. Dipen Ashit Dalal 5. Mrs. Aarefa Kutub Kapasi 6. Mrs. Dipika Pradeep Soni
9	14/02/2022	8	6	1. Mr. Pawankumar Agrawal 2. Mr. Saurabh Jhunjhunwala 3. Mr. Virendra Sharma 4. Mr. Dipen Ashit Dalal 5. Mrs. Aarefa Kutub Kapasi 6. Mrs. Dipika Pradeep Soni
10	23/02/2022	8	4	1. Mr. Pawankumar Agrawal 2. Mr. Dipen Ashit Dalal 3. Mrs. Aarefa Kutub Kapasi 4. Mrs. Dipika Pradeep Soni
11	26/03/2022	8	4	1. Mr. Pawankumar Agrawal 2. Mr. Dipen Ashit Dalal 3. Mrs. Aarefa Kutub Kapasi 4. Mrs. Dipika Pradeep Soni

For Committee Meetings please refer the Corporate Governance Report.

### **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 2021-22 and hence no complaint is outstanding as on 31.03.2022 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.

### **ANNUAL PERFORMANCE EVALUATION:**

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

**BOARD:**

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

**COMMITTEES OF THE BOARD:**

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

**INDIVIDUAL DIRECTORS:**

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

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

**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)

**DIRECTORS ELIGIBILITY:**

A Certificate obtained from Practicing Company Secretary that none of the Directors of the Company are disqualified is attached herewith as Annexure VII of the Report.

**Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status:**

No Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

**Details of difference between of amount of valuation done at the time of one time settlement and the valuation done while taking loan**

Not Applicable.

**OTHERS:**

- a) No issue of Equity Shares or Securities with Differential Voting Rights.
- b) No issue of Equity Shares or Securities with Employees Stock Option Scheme.
- c) No Voluntary revision of financial statements or Board Report was made during the year.
- d) No amount or Shares were required to be transferred to Investor Education and Protection Fund.

**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**

Sd/-

Place: Ahmedabad  
Date: 2<sup>nd</sup> September, 2022

**Ram Prasad Agarwal**  
Chairman  
DIN: 00060359

**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>2021-2022</b>	<b>2020-2021</b>
<b>i) Purchased:</b>		
(a) Units	NIL	NIL
(b) Amount(` in Lacs)	NIL	NIL
(c) Units/per litre of Diesel	NIL	NIL
Oil		
(d) Cost per unit (`)	NIL	NIL
<b>ii) Own Generation:</b>		
(a) Units	NIL	NIL
(b) Amount(` in Lacs)	NIL	NIL
(c) Units/per litre of Diesel	NIL	NIL
Oil		
(d) Cost per unit (`)	NIL	NIL
<b>iii) Gas Consumption</b>	NIL	NIL

**Wind Mill Generation :**

During the year under review, the Company has generated 34, 57, 667 units F.Y. 2021 – 22 (through which it has generated net revenue of Rs. 187.68 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)

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

Sd/-

Place: Ahmedabad  
Date: 2<sup>nd</sup> September, 2022

**Ram Prasad Agarwal**  
Chairman  
DIN: 00060359

**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 has also entered into transaction with Shiv Shakti Steels Private Limited for sale of Services in which the Directors are interested directly or indirectly. Directors</p>

**Frontline Corporation Limited**  
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		<p>Relatives hold about 24% of total paid up Capital of Shiv Shakti Steels Private Limited.</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>
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 has sold services to Shiv Shakti Steels Private Limited.</p> <p>The Company also gave its property on rent / lease to and from M/s. Fairdeal Supplies Limited.</p>
c)	Duration of the contracts/arrangements/transaction	Normally the lease / rent agreement is for the period of 11 months and 29 days and on its expiry the same is renewed from time to time. Other transactions are entered on need basis.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any :	To supply / purchase the goods / services / fixed assets required on need basis at arm's length. In respect of rental, the same is determined as per the rental agreement. The price is determined as per the prevailing market rate. The value of transactions with related parties is provided in the notes to the accounts. Members are requested to refer the same.
e)	Date of approval by the Board, if any :	01.04.2021
f)	Amount paid as advances, if any :	Nil

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

Sd/-

Place: Ahmedabad  
Date: 2<sup>nd</sup> September, 2022

**Ram Prasad Agarwal**  
Chairman  
DIN: 00060359

### **Annexure III**

#### **Form No. MR-3 for the financial year ended on 31st March, 2022**

[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, 2022 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, 2022 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; - Not Applicable.

(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) The Company has not filed the form for charge satisfaction of Jammu and Kashmir Bank Limited.***

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors,

# Frontline Corporation Limited

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

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

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

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

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

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

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

Date: 2nd September, 2022

Place: Ahmedabad

SD/-

**ALKESH JALAN**  
**PROPRIETOR**  
**M. No. FCS 10620, COP 4580**  
**UDIN: F010620D000896252**

*‘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: 2<sup>nd</sup> September, 2022  
Place: Ahmedabad

Sd/-

**ALKESH JALAN**  
**PROPRIETOR**

**ANNEXURE IV**  
**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
- (ii) 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 (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.

(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.

(c) 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 fulfil the criteria for being appointed as an Independent Director prescribed under section 149 of the Companies Act, 2013 read with Schedule IV to the said Act and the provisions of SEBI ( Listing Obligations and Disclosure Requirements ) Regulations, 2015 as amended from time to time.

By order of the Board of Directors of  
Frontline Corporation Limited

Sd/-

Place: Ahmedabad  
Date: 2nd September, 2022

Ram Prasad Agarwal  
Chairman  
DIN: 00060359

**ANNEXURE V**

**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, 2022

Sr. No	Name of the Director	Remuneration per annum (In Rs.)	MRE* per annum (In Rs.)	Ratio of remuneration to MRE*	Ratio of remuneration to MRE and MD**
1	Mr. Ram Prasad Agarwal	NIL	2,20,812	N.A.	N.A.
2	Mr. Narayan Prasad Agarwal	NIL	2,20,812	N.A.	N.A.
3	Mr. Pawan Kumar Agarwal	NIL	2,20,812	N.A.	N.A.
4	Mr. Saurabh Jhunjhunwala	NIL	2,20,812	N.A.	N.A.
5	Mr. Dipen Ashit Dalal	NIL	2,20,812	N.A.	N.A.
6	Mrs. Dipika Pradeep Soni	NIL	2,20,812	N.A.	N.A.
7	Mr. Virendra Sharma	NIL	2,20,812	N.A.	N.A.
8	Ms. Aarefa Kutub Kapasi	NIL	2,20,812	N.A.	N.A.

\* MRE – Median Remuneration of employees \*\* MD – Managing Director.

No remuneration was paid to any Director during the year under review and hence ratio is not applicable.

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

During the year 2021-2022, the Company has paid remuneration of Rs. 82,036/- to Mr. Roshan Lal Saklani, Chief financial officer of the Company upto 1<sup>st</sup> May, 2021. Due to demise of Mr. Roshan Lal Saklani, Mrs. Komal Mihir Shah was appointed as Chief Financial Officer with effect from 10<sup>th</sup> June, 2021 and the Company has paid remuneration of Rs. 403038/- from 10<sup>th</sup> June, 2021 to 31<sup>st</sup> March, 2022. Since Mrs. Komal Mihir Shah was appointed during the year as Chief Financial Officer, comparison with the previous year is not applicable.

During the year 2021 – 2022 the Company has paid Rs. 16,25,642 /- to Suresh Kumar Verma. During the year 2020-2021, the Company has paid remuneration of Rs. 14,00,151/- to Mr. Suresh Kumar Verma, Company Secretary of the Company. The % increase during the year was 16.10%.

3. Percentage increase in median remuneration of employees in the financial year was 0.81%.

4. The number of permanent employees on the rolls of the company as on 31 March, 2022 – 87 Nos.

5. No remuneration paid to any Directors during the financial year and its previous financial year and hence comparison is not possible.

Further no Employee of the Company is working outside India.

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.

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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.

None of the employee received remuneration

- (i) if employed throughout the financial year, in excess of Rs.1.02 Crores.
- (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, in excess of Rs. 8.50 Lacs Per month.
- (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

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

Sd/-

Place: Ahmedabad  
Date: 2<sup>nd</sup> September, 2022

**Ram Prasad Agarwal**  
Chairman  
DIN: 00060359

**ANNEXURE VI**  
**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, distribution of fuel energy. 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 70 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 3 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 decreased from Rs. 1,409.61 Lakhs to Rs. 1,251.69 Lakhs registering a decrease of 11.20%.

**Trading in Automotive Parts and Petroleum Products:**

**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 and Petroleum products:**

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

Your Company has commenced petrol and petroleum products distribution by taking franchisee for selling MS / HSD / Lubes of Nayara Energy Limited (formerly known as Essar Oil Limited) Haldia, West Bengal.

**Strengths of the Company in Automotive Parts and Petroleum products:**

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.,” for the Automotive Aftermarket. With newer models of vehicles being introduced in the market every year, the business has very good potential in future.

In the petroleum Sector your company believes that with the rising population and increase in the number of vehicles the petroleum consumption is going to increase.

**Risk of the Company in Automotive Parts and Petroleum products:**

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.

The distribution of petrol and petroleum products is very risky and highly inflammable products. Though adequate care is taken by carrying out insurance.

**Performance of the Company in Automotive Parts and Petroleum products:**

The Revenue from trading Operations of automotive parts and Petroleum products of increased from Rs. 4,098.32 Lakhs to Rs. 5,561.93 Lakhs registering an increase of 35.71%.

**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 increase from Rs. 151.84 Lakhs to Rs. 187.68 Lakhs registering an increase of 23.60%

**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 decreased from Rs. 102.62 Lakhs to Rs. 73.79 Lakhs registering a decrease of 28.09%.

**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



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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, 2022 the Company has around 87.

### **Cautionary Statements:**

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

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

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

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

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

Sd/-

Place: Ahmedabad  
Date: 2<sup>nd</sup> September, 2022

**Ram Prasad Agarwal**  
Chairman

**Annexure – VII**

**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, 2022 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	Attendance at the Last AGM	No. of outside Directorship held excluding Private Companies	Total No. Memberships / Chairmanship of Committees	
						Member	Chairman
Ram Prasad Agarwala Age : 68 years	Non- Executive Director and Promoter	388722	3	Yes	3	–	–
Narayan Prasad Agarwal Age : 63 years	Non- Executive Director and Promoter	145800	1	Yes	3	–	–
Pawan Kumar Agarwal Age : 62 years	Managing Director- Executive and Promoter	250266	9	Yes	3	–	–

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Saurabh Jhunjhunwala Age : 46 years	Non- Executive Director	105440	5	Yes	1	–	–
Virendra Sharma Age : 68 years	Independent Director	Nil	6	Yes	2	-	–
Aarefa Kutub Kapasi Age : 31 years	Independent Women Director	Nil	10	No	1	2 *	0
Rajesh Vasantlal Tripathi Age : 51 years (upto 28.06.2021)	Independent Director	Nil	2	No	0	0	0
Dipika Pradeep Soni Age : 34 years	Independent Women Director	Nil	10	Yes	0	0	0
Dipen Ashit Dalal Age- 30 (From 29/06/2021)	Independent Director	Nil	6	No	1	2 **	1 ***

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

\*\* Member of Audit Committee of Arvee Laboratories ( India ) Limited

\*\*\* Chairman of Nomination and Remuneration Committee and Stakeholders Relationship Committee of Arvee Laboratories ( India ) 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.

During the year the Board of Directors met **11 times**. The dates of the Board meetings are mentioned in the Directors Report

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 Ram Prasad Agarwal and Shri Saurabh Jhunjhunwala, 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 and annexure to the notice calling 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 01.04.2021. 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 Mr. Rajesh Vasantlal Tripathi, Mrs. Dipika Pradeep Soni and Mrs. Aarefa Kutub Kapasi. 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 directors out of which 2 Directors are Independent and 1 Non-Independent. 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: -

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#	Director	Category of Directorship	Chairman/ Member	No. of Meetings Held	No. of Meeting attended
1	Shri Virendra Sharma	Independent Director	Chairman	5	5
2	Shri Saurabh Jhunjhunwala	Non-Executive Director	Member	5	5
3	Mrs. Aarefa Kutub Kapasi	Independent Director	Member	5	5

Mr. Sureshkumar Verma, Company Secretary, acts as the Secretary to the Committee.

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

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

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

During the year under the review, the audit committee met 5 times on 10.06.2021, 29.06.2021, 14.08.2021, 13.11.2021 and 14.2.2022.

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	2	2
2	Mrs. Aarefa Kutub Kapasi	Member	Independent Director	2	2
3	Mrs. Dipika Pradeep Soni	Member	Independent Director	2	2

The Company has appointed a Nomination and 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.

All the recommendations of the Nomination and Remuneration Committee were accepted by the Board.

During the year under review two nomination and remuneration Committee were held meeting on 10.06.2021 and 29.06.2021.

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- The Committee has been reconstituted by appointing Mrs. Dipika Pradeep Soni as a member of Committee in place of Mr. Saurabh Jhunjunwala.

### 3. Stakeholders Relationship Committee :

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

During the year under review, the Committee met 4 times on 29.06.2021, 14.08.2021, 13.11.2021 and 14.2.2022.

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	Chairman	Independent Director	4	4
2	Shri Saurabh Jhunjunwala	Member	Non-Executive Director	4	4
3	Mrs. Aarefa Kutub Kapasi	Member	Independent Director	4	4

The minutes of Shareholders Grievance Committee are discussed and taken note of by the Board of Directors. Shri Sureshkumar 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 31.03.2022.

**4. GENERAL BODY MEETINGS:**

The last three annual General Meetings were held as under:

Sr. No.	Financial Year	Day and Date	Time	Location
1	2018 - 2019	Thursday, 19 <sup>th</sup> September, 2019	10.00 a.m.	4, B. B. D. Bag (East), Stephen House, Room No. 5, 1st Floor, Kolkata – 700 001
2	2019-2020	Wednesday, 30 <sup>th</sup> September, 2020	15.00 Hours	Video Conferencing(“VC”) or Other Audio Visual Means (”OAVM”)
3	2020-2021	Saturday, 25 <sup>th</sup> September, 2021	15.00 Hours	Video Conferencing(“VC”) or Other Audio Visual Means (”OAVM”)

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

Financial Year	Particulars of Special resolutions passed
2018 - 2019	Approval of Loans and Advances to Companies or Bodies Corporate in which Directors are interested. Reappointment of Mr. Virendra Sharma (DIN: 01148786) as an Independent Director of the Company Reappointment of Mrs. Aarefa Kutub Kapasi (DIN: 07127418) as an Independent Director of the Company Appointment of Mr. Rajesh Vasantlal Tripathi, (DIN: 08362877) as an Independent Director of the Company Appointment of Mr. Sanket Dipakbhai Sheth, ( DIN : 08405839 ) as an Independent Director of the Company
2019-2020	Appointment of Mrs. Dipika Pradeep Soni, (DIN: 0008846908) as an Independent Women Director of the Company Reappointment of Mr. Pawan Kumar Agarwal , (DIN: 00060418) as Managing Director of the Company
2020-2021	Appointment of Mr. Dipen Ashit Dalal, (DIN: 09219731) as an Independent Director of the Company.

No resolution is proposed to be passed through postal ballot at the forthcoming annual general meeting.

On 25<sup>th</sup> March, 2022 six resolutions were passed by Postal Ballot for the alteration / amendment / insertion of Object Clause of the Memorandum of Association.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 Quarterly Results, Annual Result and other statutory publications are being normally published in Dainik Lipi (Bengali) & Business Standard (English). Further results are also displayed on the Company’s website. [www.http://frontlinecorporation.org](http://frontlinecorporation.org)

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**6. GENERAL SHAREHOLDER INFORMATION:**

(i)	Annual General Meeting Day, Date, Time and Venue	On Friday, 30 <sup>th</sup> September, 2022 at 15.00 Hours (IST) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”)
(ii)	Next Financial Calendar Year	1 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023 ( tentative )
(iii)	Date of Book Closure	Saturday, 24 <sup>th</sup> September, 2022 to Friday, 30 <sup>th</sup> September, 2022 (both the days inclusive).
(v)	ISIN No. for ordinary shares of the Company in Demat form	<b>INE092D01013</b>
(vi)	Registered Office	4,B.B.D. Bag (East), Room No. 5 Stephen House, 1 <sup>st</sup> Floor, Kolkata-700001
	Corporate Office	4 <sup>th</sup> Floor, Shalin Building, Near Nehru Bridge Corner, Ashram Road, Ahmedabad-380009
(vii)	Registrar and Transfer Agent	Bigshare Services Private Limited, A-802, Samudra Complex Near Klassic Gold Hotel, Girish Cold Drink, Off C G Road, Navrangpura, Ahmedabad Gujarat – 380009 Phone No. -079-40024135, Mob. 9971542155
(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-016057 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> 7, Lyons Range, Kolkata – 700 001. <b>2. BSE Ltd.,</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.



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(xviii)	Auditors for the FY 2021-22 and Proposed Auditors for the Financial Year 2022 – 2023	S.M. Pansuriya & Co., 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 2022 to 31 <sup>st</sup> March 2023
First Quarter Result	: Second Week of August, 2022 ( tentative )
Second Quarter Result	: Second Week of November, 2022(tentative)
Third Quarter Result	: Second Week of February,2023 (tentative )
Fourth Quarter Result	: Last Week of May, 2023 ( tentative )

### **7. DISTRIBUTION OF SHAREHOLDINGS AND SHARE HOLDING PATTERN (AS ON 31-03-2022):**

#### **SHAREHOLDING PATTERN:**

Category	No. of Share holders	% of holding to total	Number of Shares held
Promoter & Promoter Group	18	48.63	2431568
Public	800	51.37	2568432
Shares held by Employee Trusts	0	0	0
<b>Total</b>	<b>818</b>	<b>100.00</b>	<b>5000000</b>

#### **Shareholding Position as on 31<sup>st</sup> March, 2022**

Mode	No. of Shareholders	% of total Shareholders	No. of Shares	% to total Capital
NSDL	277	32.59	3378124	67.56
CDSL	315	37.06	802352	16.05
Physical	258	30.35	819524	16.39
Total	850	100.00	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 2021 to March 2022 is as follows:

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades
April 21	--	--	--	--	--	--
May-21	9.27	9.27	7.22	7.23	7504	31

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Jun-21	6.87	10.55	6.87	8.88	15954	49
Jul-21	8.88	15.71	8.44	15.71	21496	67
Aug-21	16.45	21.1	16.45	18.9	20228	244
Sep-21	19.25	19.7	15.45	16.2	5830	112
Oct-21	16.2	17.6	15	15.75	7247	104
Nov-21	15.5	19	15.5	17.95	6126	104
Dec-21	18	22.05	16.7	22.05	15356	165
Jan-22	23.15	26.3	22.1	25.1	40923	295
Feb-22	23.85	30	20.1	28.6	15044	116
Mar-22	27.2	30.5	26.05	27	4859	84

### **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:

Nil

#### **(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) Familiarization 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>

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	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 Mrs. Komal Mihir Shah, 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, 2022 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 violate of the Company's Code of Conduct.

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

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

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

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

**By Order of the Board of Directors**

Sd/-

**Komal Mihir Shah**  
**Chief Financial Officer**  
**PAN : BQMPS7742A**

Sd/-

**Pawankumar Agarwal**  
**Managing Director**  
**DIN : 00060418**

Date: 30/05/2022  
Place: Ahmedabad

13. **CODE OF CONDUCT:**

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

**DECLARATION BY THE MANAGING DIRECTOR PURSUANT 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 2021 – 2022.”

For and on behalf of Board

Sd/-

Place : Ahmedabad  
Date : 30/05/2022

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

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### Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (listing obligations and Requirements) Regulations, 2015)

To,  
The Members of  
**Frontline Corporation Limited**  
4, B.B.D. Bag (East) 1<sup>st</sup> Floor, Room No. 5  
Stephen House, Kolkata – 700 001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Frontline Corporation Limited having CIN: L63090WB1989PLC099645 and having registered office at 4, B.B.D. Bag ( East ) 1st Floor, Room No. 5 Stephen House, Kolkata – 700 001 (hereinafter referred to as ‘the company’), produced before us by the Company for the purpose of issuing this certificate in accordance with Regulation 34(3) read with Schedule V Para-C clause (10) (i) of the SEBI (listing obligations and Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the Portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers we hereby certify that none of the Directors on the Board of the company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Ram Prasad Agarwala	00060359	04/12/1989
2.	Narayan Prasad Agarwal	00060384	04/12/1989
3.	Pawankumar Agarwal	00060418	04/12/1989
4.	Saurabh Jhunjunwala	00060432	01/12/1999
5	Virendra Sharma	01148786	17/12/1996
6	Aarefa Kutub Kapasi	07127418	23/03/2015
7	Dipika Pradeep Soni	08846908	25/08/2020
8	Dipen Ashit Dalal	09219731	29/06/2021

Ensuring the eligibility of for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, Jalan Alkesh & Associates  
Company Secretaries

Sd/-

Place: Ahmedabad  
Date: 02/09/2022

Alkesh Jalan  
Proprietor  
FCS No.: 10620  
C.P. No.: 4580  
UDIN : F010620D000896219

## **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, 2022 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.

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. FCS 10620**  
**UDIN : F010620D000896285**

**Place: Ahmedabad**  
**Date: 02/09/2022**



**INDEPENDENT AUDITOR'S REPORT**

To,  
THE MEMBERS OF,  
**FRONTLINE 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 2022, 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, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

1. Notes to the standalone financial results, regarding Non provision of interest of Rs. 442.26 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 under stated and profit is overstated to the extent of non-provisions of interest.
2. Notes 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 31st March, 2022 was also qualified in respect of this matter.
3. 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 our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed

# Frontline Corporation Limited

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under section 133 of the Act, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016;

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 (ICAI) 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 ICAI's 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 Matter**

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 Securitization Application in the Debts Recovery Tribunal, Calcutta, which is pending. The lender has also filed an Original Application in the Debts Recovery Tribunal, Calcutta, which is pending. The company has also filed a Civil Suit in Hon'ble Calcutta 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 Hon'ble Supreme Court against the order of Hon'ble Calcutta High Court. This matter is sub-judice. These factors along-with other matters asset forthin 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.

We draw attention to note 2.2 to the standalone Ind AS financial statements, which describes the uncertainty caused by Novel Coronavirus (COVID-19) pandemic with respect to the company's estimates of impairment of loans to customers and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

standalone 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 2021-22, but does not include the standalone 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 standalone 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.

**Responsibilities of Management and those charged with governance for the Standalone Ind AS 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 charged with governance are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS 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:

- (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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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, 2020 ("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, based on our audit 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.
- (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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

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(d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 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”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act

(h) 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 in its Standalone Ind AS financial statements;

(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.

(iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

**For S M Pansuriya & Co.**

**Chartered Accountants**

**Firm Registration No: 126729W**

**-Sd-**

**Snehal M Pansuriya**

**Proprietor**

**Membership No: 121039**

**UDIN: 22121039AJXXEA3478**

**Place: Ahmedabad**

**Date: 30-05-2022**

**Annexure-A to Independent Auditors’ Report**

**Annexure A referred to in paragraph (1) under the heading ‘Report on other legal and regulatory requirements’ of our report of even date**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

(i) (a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (including right of use assets).

B) The Company has maintained proper records showing full particulars of intangible assets.

(b)

Property, Plant and Equipment have been physically verified by the Management during the year and no material discrepancies were identified on such 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 31st March, 2022.

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. Pawan kumar Agrawal, on behalf of the company. The titles have not been conveyed in the name of the company.	91,150/-

(d)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended 31 March, 2022.

(e)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.



## Frontline Corporation Limited 33<sup>rd</sup> Annual Report – 2021-2022

- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (a)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a working capital limit in excess of Rs. 50 million sanctioned by banks or financial institutions based on the security of current assets. The Company has borrowings from Punjab & Sind Bank on the basis of security of current assets and the quarterly returns filed by the Company with the bank has been declared NPA by bank since May 2012, hence no compliance has been done during the year.

- (b)
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has made investments in, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

Based on the audit procedures carried out by us and as per the information and explanation given to us,

- (a) The Company has provided loans, during the year and details of which are given below:

A	Aggregate amount granted / provided during the year:	Loans ( ` In lacs)
Others		60.00
B	Balance outstanding as at balance sheet date in respect of above cases:*	
Others		39.11

\*The amounts reported are at gross amounts, without considering provisions made.

The Company has not provided any advances in the nature of loans, guarantee or security to any other entity during the year.

- (b) According to the information and explanations provided to us and based on the audit procedures conducted by us, we are of the opinion that the investments made, guarantees provided and the terms and conditions of the grant of loans are prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanation given to us and on the basis of the examination of the records of the Company, In respect of loans granted and advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts of principal amounts and interest have been regular as per stipulations except for the following:

Nature	Name of Entity	Due Date	Amount
Interest	Ekdant finstock services pvt. ltd.	60 days from the date of dabit of interest	` 4.11 lacs for the year

- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

# Frontline Corporation Limited

## 33<sup>rd</sup> Annual Report – 2021-2022

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment

(iv)

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v)

In our opinion and according to the information and explanations given to us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi)

According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable.

(vii)

According to the information and explanations given to us, in respect of statutory dues:

(a)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Customs, Cess and other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Sales tax, Service tax, duty of Excise, Value Added tax, Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Customs, Cess and other statutory dues, which have not been deposited by the Company on account of disputes, except for the following:

Nature of Dues			Amount (Rs.)
Service Tax			22,938
Income Tax as below:			
A.Y.	Demand raised u/s	Remarks	Amount (Rs.)
2010-11	143(3)	It is about interest u/s 220(2)-To Pay	2,61,799
2017-18	143(3)	Various additions-NFAC, New Delhi-Appeal hearing pending before NFAC	37,11,726
2017-18	270A	Penalty matter against Various additions confirmed-NFAC, New Delhi-Appeal hearing pending before NFAC	129,97,912

## Frontline Corporation Limited 33<sup>rd</sup> Annual Report – 2021-2022

2018-19	143(1)(a)	Book Profit doubled due to schema error-DCIT-CPC-By filing 154 application demand will be dropped	39,75,520
Total			209,46,957

(viii)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of accounts, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix)

According to the information and explanations given to us, in respect of borrowings:

(a)

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:

period of Default	Name of lending Financial Institute and nature of Account	Remarks	Amount of Default in repayment
01-04-2012 to 31-03-2022	Punjab & Sind Bank – Packing Credit	Exclusive of interest up to 31.03.2022. Loan recalled on 31.03.2012	2000,00,000
01-04-2012 to 31-03-2022	Punjab & Sind bank – CCPH 000315	Exclusive of interest up to 31.03.2022. Loan recalled on 31.03.2012	1503,33,129

- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority. It has been informed that one of the companies and the directors (common directors of our company) in which our company has issued Corporate Guarantee against the facilities granted to the said company, has been declared wilful defaulter by UCO bank. It has been further informed that the said company made One Time Settlement with the UCO bank and has repaid around 76.15% of the One Time Settlement amount as on the balance sheet date, and further repayment is continuing till the reporting date of Annual accounts.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

# Frontline Corporation Limited

## 33<sup>rd</sup> Annual Report – 2021-2022

- (f) the Company has not raised loans during the year on pledge of securities held in subsidiaries, joint venture or associate company.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality as outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii)(a)(b)(c) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of all transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on the information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2022.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013, are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

# Frontline Corporation Limited

## 33<sup>rd</sup> Annual Report – 2021-2022

- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Accordingly, paragraph 3(xvii) of the Order is not applicable to the Company.
- (xviii) There has been no resignation of the statutory auditors of the Company. Hence, reporting under clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) Corporate Social Responsibility (CSR) clause as per Companies Act, 2013 is not applicable to the company. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

**For S M Pansuriya & Co.**

**Chartered Accountants**

**Firm Registration No: 126729W**

-SD-

**Snehal M Pansuriya**

**Proprietor**

**Membership No: 121039**

**UDIN: 22121039AJXXEA3478**

**Date: 30-05-2022**

**Place: Ahmedabad**

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**Annexure-B to Independent Auditors' Report**

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**Annexure B referred to in paragraph 2(f) under the heading 'Report on other legal and regulatory requirements' of our report of even date**

**Report on 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 Ltd. (the 'Company') as of 31 March 2022 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 issued by the Institute of Chartered Accountants of India. 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 the 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 Act.

**Auditor's responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing as specified under section 143(10) of the Act, to the extent 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 with reference to these standalone Ind AS financial statements 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 over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

**Meaning of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements**

A Company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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 with reference to these standalone Ind AS financial statements 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 authorisations of Management and Directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to these standalone Ind AS financial statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, 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 with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

We have audited the internal financial controls with reference to financial statements of Frontline Corporation Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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 31st March, 2022:

**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, 2022.

**Frontline Corporation Limited**  
**33<sup>rd</sup> Annual Report – 2021-2022**

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, 2022 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 S M Pansuriya & Co.**

**Chartered Accountants**

**Firm Registration No: 126729W**

**Snehal M Pansuriya**

**Proprietor**

**Membership No: 121039**

**UDIN: 22121039AJXXEA3478**

**Date: 30-05-2022**

**Place: Ahmedabad**



# Frontline Corporation Limited

## 33<sup>rd</sup> Annual Report – 2021-2022

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

BALANCE SHEET AS AT 31ST MARCH, 2022

(Rs. in Lakh)

PARTICULARS	NOTES	AS AT 31/03/2022 Amount	AS AT 31/03/2021 Amount
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	"4"	588.26	679.42
(b) Capital work-in-progress	"4"	28.37	2.57
(c) Investment property	"5"	2,477.58	2,519.18
(d) Other Intangible assets	"6"	0.09	0.13
(e) Financial assets			
(i) Others	"7"	193.75	182.11
(f) Deferred Tax Assets(Net)	"8"	402.40	381.79
(g) Non Current Tax Assets (Net)	"9"	222.89	240.43
(h) Other Non Current Assets	"10"	17.41	17.46
<b>(2) Current Assets</b>			
(a) Inventories	"11"	507.47	420.75
(b) Financial assets			
(i) Investments	"12"	65.18	95.80
(ii) Trade receivables	"13"	816.39	914.00
(iii) Cash and cash equivalents	"14"	77.58	128.93
(iv) Bank balances other than (iii) above	"15"	10.37	-
(v) Loans	"16"	639.61	600.39
(vi) Others	"17"	116.58	152.97
(c) Current tax assets(net)	"18"	169.74	116.64
<b>Total Assets</b>		<b>6,333.68</b>	<b>6,452.59</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	"19"	497.75	497.75
(b) Other equity	"20"	360.87	217.02
<b>Liabilities</b>			
<b>(1) Non - Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowing	"21"	63.82	254.84
<b>(2) Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowing	"22"	4,821.40	4,899.52
(ii) Trade payables	"23"		
Total Outstanding dues of micro enterprise and small enterprise		2.49	2.59
Total Outstanding dues of Creditors other than micro enterprise and small enterprise		333.06	393.53
(iii) Other Financial liabilities	"24"	134.80	124.55
(b) Other current liabilities	"25"	78.96	30.89
(c) Provisions	"26"	40.54	31.90
<b>Total Equity and Liabilities</b>		<b>6,333.68</b>	<b>6,452.59</b>

Significant Accounting Policies  
on Financial Statements

Notes

"1 to 35"

On Behalf of Board of  
Frontline Corporation Ltd

As Per our Report of Even Date  
For S M Pansuriya & Co.  
Chartered Accountants  
FRN: 126729W

S.K.Verma  
Company Secretary

Ramprasad Agarwal  
Director  
(DIN NO: 00060359)

Snehal Pansuriya  
Proprietor  
M.No. 121039

Komal Shah  
C.F.O.

Pawankumar Agarwal  
Managing Director  
(DIN NO: 00060418)

Date:30-05-2022

Date:30-05-2022

Place: Ahmedabad  
UDIN: 22121039AJXXEA3478

Place: Ahmedabad

# Frontline Corporation Limited

## 33<sup>rd</sup> Annual Report – 2021-2022

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

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2022

(Rs. In Lakh)

PARTICULARS	NOTES	Year Ended 31/03/2022 Amount	Year Ended 31/03/2021 Amount
<b><u>INCOME</u></b>			
Revenue from Operations	"27"	7,174.72	5,860.43
Other Income	"28"	351.00	314.85
		<b>7,525.73</b>	<b>6,175.28</b>
<b><u>EXPENDITURE</u></b>			
Cost of Material Consumed		-	-
Purchase of Stock in Trade	"29"	5,302.18	3,573.77
Change in Inventories of Finished Goods, Stock in Trade & Work-in-Progress	"30"	(86.72)	250.83
Employee Benefits Expenses	"31"	486.82	452.32
Financial Costs	"32"	28.15	42.20
Depreciation and Amortisation Expense	"33"	174.91	201.20
Other Expenses	"34"	1,436.36	1,524.50
		<b>7,341.71</b>	<b>6,044.83</b>
<b>Profit before Exceptional Items &amp; Tax</b>		<b>184.02</b>	<b>130.45</b>
Exceptional item		-	-
<b>Profit / (Loss) before Tax</b>		<b>184.02</b>	<b>130.45</b>
<b>Tax Expenses</b>			
Current Tax		59.30	27.00
Deferred Tax		(20.24)	(11.21)
Tax in respect of earlier years		-	-
<b>Profit / (Loss) for the year from continuing operations</b>		<b>144.96</b>	<b>114.67</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurement of net defined benefit plans		(1.48)	3.61
- Income tax relating to above items		0.37	(0.91)
<b>Total Comprehensive Income for the year</b>		<b>143.85</b>	<b>117.37</b>
Paid-up equity share capital (Face Value of the Share Rs. 10/- each)		49.77	49.77
<b>Earnings per equity share (for continuing operation):</b>			
Basic		2.91	2.30
Diluted		2.91	2.30
<b>Earnings per equity share (for discontinued operation):</b>			
Basic		-	-
Diluted		-	-
<b>Earnings per equity share (for continuing &amp; discontinued operation):</b>			
Basic		2.91	2.30
Diluted		2.91	2.30

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

For S M Pansuriya & Co.  
Chartered Accountants  
FRN: 126729W

S.K.Verma  
Company Secretary

Ramprasad Agarwal  
Director  
(DIN NO: 00060359)

Snehal Pansuriya  
Proprietor  
M.No. 121039

Komal Shah  
C.F.O.

Pawankumar Agarwal  
Managing Director  
(DIN NO: 00060418)

Date:30-05-2022

Date:30-05-2022

Place: Ahmedabad  
UDIN: 22121039AJXXEA3478

Place: Ahmedabad

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

STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON MARCH 31, 2022

(Rs.in Lakh)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>[A] CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before exceptional items and tax	184.02	130.45
<b>Adjustments for :</b>		
Depreciation and amortisation expense	174.91	201.20
Finance costs	28.15	42.20
Interest income	(101.16)	(89.06)
Settlement of Loan	-	-
Provision on doubtful financial assets	18.07	9.62
Provision Written back	(35.75)	(28.86)
Allowance for bad and doubtful debts	-	-
Unrealised Exchange difference	-	-
Net (gain) / loss on fair valuation of investments	0.16	(0.19)
Remeasurement of net defined benefit plans	(1.48)	3.61
Bad debts / assets written off	3.18	6.61
(Profit)/ loss on sale of Fixed Assets (Net)	(0.29)	(4.44)
(Profit)/ loss on sale of Investment	(1.47)	(1.02)
	84.31	139.68
<b>Operating profit before working capital changes</b>	<b>268.33</b>	<b>270.13</b>
<b>Adjustments for :</b>		
(Increase)/Decrease in trade and other receivables	94.43	(160.13)
(Increase)/Decrease in Inventories	(86.72)	250.83
(Increase)/Decrease in Other Receivable	(28.29)	49.15
Increase/(Decrease) in trade and other payables and provisions	(2.26)	(372.13)
Increase/(Decrease) in provisions	26.32	10.30
	3.49	(221.97)
Cash from operations	<b>271.82</b>	<b>48.16</b>
Direct tax paid(Net of refunds)	41.76	38.44
<b>Net cash from operating activities before exceptional items</b>	<b>230.06</b>	<b>9.72</b>
Exceptional items	-	-
<b>NET CASH FROM CONTINUING OPERATION [A]</b>	<b>230.06</b>	<b>9.72</b>
<b>[B] CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Add: Inflows from investing activities</b>		
Sale of property, plant and equipment(including work in progress)	0.29	8.16
Sale of investments	209.11	264.58
Interest income	101.16	89.06
Proceeds from Loans & Advances	(39.22)	213.55
<b>Less: Outflows from investing activities</b>		
Purchase of property, plant and equipment(including work in progress)	(67.90)	(44.60)
Purchase of investments	(177.19)	(352.49)
<b>NET CASH FROM INVESTING ACTIVITIES [B]</b>	<b>26.25</b>	<b>178.27</b>
<b>[C] CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Add: Inflows from financing activities</b>		

**Frontline Corporation Limited**  
**33<sup>rd</sup> Annual Report – 2021-2022**

Proceeds from long term borrowing(including loan transfer to capital reserve)	(127.28)	(96.02)
Proceeds from short term borrowing(working capital)	-	-
<b>Less: Outflows from financing activities</b>		
Repayment from long term borrowing	(79.725)	(87.50)
Repayment from short term borrowing(working capital)	1.604	(3.88)
Repayment from unsecured loans	(64.121)	65.57
Interest paid	(27.76)	(41.62)
<b>NET CASH FROM FINANCING ACTIVITIES [C]</b>	<b>(297.29)</b>	<b>(163.45)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENT [A+B+C]</b>	<b>(40.97)</b>	<b>24.54</b>
Opening Balance of Cash and Cash Equivalents	128.93	104.39
Closing Balance of Cash and Cash Equivalents	87.957	128.93

**Notes :**

1 The above Standalone Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

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 2021	5,154.36
Cash Flow Changes	(269.52)
Fair Value Changes	0.39
<b>As at 31st March 2022</b>	<b>4,885.22</b>

\* Including current maturity of Non-Current Borrowings.

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

**For S M Pansuriya & Co.**  
Chartered Accountants  
FRN: 126729W

**S.K.Verma**  
Company Secretary

**Ram Prasad Agarwal**  
Director  
(DIN NO: 00060359)

**SnehalPansuriya**  
Proprietor  
M.No. 121039

**Komal Shah**  
C.F.O.

**Pawankumar Agarwal**  
Managing Director  
(DIN NO: 00060418)

Date: 30-05-2022  
Place: Ahmedabad  
UDIN: 22121039AJXXEA3478

Date: 30-05-2022  
Place: Ahmedabad

# STATEMENT OF CHANGES IN EQUITY

Frontline Corporation Limited  
33<sup>rd</sup> Annual Report – 2021-2022

## A. Equity Share Capital

### (1) Current Reporting Period

Balance as at 01-04-2021	Change in Equity Share Capital during the current year	Balance as at 31-03-2022
497.75	-	497.75

### (2) Previous Reporting Period

Balance as at 01-04-2020	Change in Equity Share Capital during the current year	Balance as at 31-03-2021
497.75	-	497.75

## B. Other Equity

	Share application money pending allotment	Equity component of compounded Financial Instruments	Capital Reserve	Securities Premium Reserve	General Reserves	Retained Earning	Debt instruments through other comprehensive income	Equity Instruments through other comprehensive income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange Difference on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income	Money received against Share Warrants	Total
Balance at 31st March 2020	-	-	-	-	-	106.76	-	-	-	-	-	(7.11)	-	99.65
Total Comprehensive Income for the year	-	-	-	-	-	114.67	-	-	-	-	-	2.70	-	117.37
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other changes (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31st March 2021	-	-	-	-	-	221.43	-	-	-	-	-	(4.41)	-	217.02
Total Comprehensive Income for the year	-	-	-	-	-	144.96	-	-	-	-	-	(1.11)	-	143.85
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other changes (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31st March 2022	-	-	-	-	-	366.38	-	-	-	-	-	(5.51)	-	360.87

For S M Pansuriya & Co.

Chartered Accountants

FRN: 126729W

Snehal Pansuriya

Proprietor

M.No. 121039

Date:30-05-2022

Place: Ahmedabad

UDIN:22121039AJXEA3478

S.K.Verma

Company Secretary

Komal Shah

C.F.O.

On Behalf of Board of  
Frontline Corporation Ltd

Ramprasad Agarwal

Director

(DIN NO: 00060359)

Pawankumar Agarwal

Managing Director

(DIN NO: 00060418)

**FRONTLINE CORPORATION LIMITED**

**Notes forming part of Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2022**

**1. Corporate Information**

FRONTLINE CORPORATION LIMITED (“the company”) was incorporated in the year 1989 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, Renting of Immovable property and Trading of MS & HSD at Petrol Pump outlet.

**2. SIGNIFICANT ACCOUNTING POLICIES:**

**2.1 Statements of compliance**

The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013. The Financial Statements comply with IND AS notified by Ministry of Company Affairs (“MCA”). The Company has consistently applied the accounting policies used in the preparation for all periods presented.

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 yearend 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.

In view of pandemic relating to COVID - 19, the Company has considered internal and external information available upto the date of approval of these financial statements and has performed analysis based on current estimates in assessing the recoverability of its assets including trade receivables. Inventories, investments, other financial and non-financial assets, for possible impact on these financial statements. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, etc. On the basis of its present assessment and current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets and does not anticipate any material impact on these financial statements. The Company believes that there is no impact on its ability to meet its liabilities as and when they fall due. However, the actual impact of COVID - 19 on the Company's financial statements may differ from that estimated and the Company will continue to closely monitor any material changes to future economic conditions.

**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, VAT is included in the value of finished goods inventory for Petroleum product (i.e. MS and HSD) at Petrol Pump for trading purpose, Other than Petroleum products, finished goods are valued at cost or net realizable value whichever is lower. 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.

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**

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.

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.

#### **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:**

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 and HSD-BSVI, 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
- Re measurement

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**  
**As a Lessee**

Right of use Asset

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. At the commencement date, a lessee shall measure the right-of-use asset at cost which comprises initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Lease Liability

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

Short-term lease and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of less than 12 months or less and leases of low-value assets, including IT Equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The election for short-term leases shall be made by class of underlying asset to which the right of use relates. A class of underlying asset is a grouping of underlying assets of a similar nature and use in Company's operations. The election for leases for which the underlying asset is of low value can be made on a lease-by-lease basis.

**As a lessor**

Leases in which the company does not transfer substantially all the risks and reward of ownership of assets are classified as operating lease. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingents rent are recognised as revenue in the period in which they are earned.

**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**

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 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.

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 company's classified as held for sale are measured at lower of carrying amount and fair value less costs to sell.

Non-current assets or disposal company 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 Segment Reporting**

Segment Reporting 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.

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 Unallocable expenditure.

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

**2.25 Recent Accounting Pronouncements:**

Amendments to Schedule III of the Companies Act, 2013 Ministry of Corporate Affairs (MCA) issued notifications dated 24th March, 2021 to amend Schedule III of the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements.

These amendments are applicable to the Company for the financial year starting 1st April, 2021 and applied to the standalone financial statements:

- a. Lease liabilities separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- b. Certain additional disclosures in the standalone Statement of Changes in Equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- b. Additional disclosure for shareholding of promoters.
- c. Additional disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress.

- d. Specific disclosure such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in the name of the Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.
- e. Additional disclosures relating to Corporate Social Responsibility (CSR) and undisclosed income.

**Recent accounting pronouncements**

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below-

- Ind AS 16 – Property, Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022.
- Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted.
- Ind AS 103 – Reference to Conceptual Framework – The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.
- Ind AS 109 – Annual Improvements to Ind AS (2021) – The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its standalone financial statements.

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

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,

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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.

## NOTES TO FINANCEIAL STATEMENTS for the year ended 31st March, 2022

(Rs in Lakh)

<b>Note 4 : Property, Plant &amp; Equipment</b>								
Particulars	Freehold Land	Building	Furniture fittings and equipment	Plant & Machinery	Office equipment	Vehicles	TOTAL	Capital Work-In-Progress
<b>Gross carrying amount:</b>								
As at 31-03-2020	62.56	104.06	10.28	360.29	15.50	734.18	1,286.87	-
Additions	5.93		-	22.57	1.26	12.23	41.99	2.57
Disposal/Transfer			-	-	-	9.02	9.02	
As at 31-03-2021	68.49	104.06	10.28	382.86	16.76	737.40	<b>1,319.84</b>	
Additions	4.01	13.91	1.29	8.04	1.48	13.32	42.04	28.37
Disposal/Transfer	-	-	-	-	-	1.54	1.54	2.57
As at 31-03-2022	72.50	117.97	11.57	390.90	18.24	749.17	<b>1,360.35</b>	
<b>Accumulated depreciation:</b>								
As at 31-03-2020	-	2.51	6.37	95.17	10.19	373.25	487.49	
Depreciation charge for the year		7.31	0.61	22.46	3.18	125.90	159.47	
Disposal/Transfer				-		6.53	6.53	
As at 31-03-2021	-	9.82	6.97	117.63	13.37	492.62	640.42	

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Depreciation charge for the year		9.44	0.70	24.18	2.33	96.55	133.20	
Disposal/Transfer		0.00	-	-	-	1.54	1.54	
<b>As at 31-03-2022</b>	-	19.27	7.67	141.81	15.70	587.63	772.08	
<b>Net carrying amount:</b>								
As at 31-03-2020	62.56	101.55	3.92	265.12	5.31	360.93	799.38	
As at 31-03-2021	68.49	94.24	3.31	265.23	3.39	244.77	679.42	2.57
As at 31-03-2022	72.50	98.70	3.90	249.09	2.54	161.54	588.26	28.37

**Ageing of Capital Work-in-Progress is as below:-**

**As at 31-03-2022**

Amount in Capital Work -in -progress for period of (Rs in Lakh)

	Particulars	Less Than 1 Year	1- 2 year	2-3 year	More than 3 year	Total
1	Project in progress	28.37	-	-	-	<b>28.37</b>
2	Projects temporarily Suspended	-	-	-	-	-

**As at 31-03-2021**

Amount in Capital Work -in -progress for period of (Rs in Lakh)

	Particulars	Less Than 1 Year	1- 2 year	2-3 year	More than 3 year	Total
1	Project in progress	2.57	-	-	-	<b>2.57</b>
2	Projects temporarily Suspended	-	-	-	-	-

4.1 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, 2022.

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. Pawan kumar Agrawal, on behalf of the company. The titles have not been conveyed in the name of the company.	91,150/-

4.2 The Company does hold immovable property as on 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021 on lease, all the lease agreements are duly executed in favour of the Company for properties where the company is the lessee.

**Note 5 : Investment property**

	(Rs in Lakh)
Particulars	Amount Rs.
<b>Gross carrying amount: As at 31-03-2020</b>	2,728.47
Additions	-
Disposal/Transfer	2.13
<b>As at 31-03-2021</b>	2,726.34
Additions	-
Disposal/Transfer	-
<b>As at 31-03-2022</b>	2,726.34
<b>Accumulated depreciation:</b>	
<b>As at 31-03-2020</b>	166.43
Depreciation charge for the year	41.63
Disposal/Transfer	0.90
<b>As at 31-03-2021</b>	207.16
Depreciation charge for the year	41.61
Disposal/Transfer	-
<b>As at 31-03-2022</b>	248.77
<b>Net carrying amount:</b>	
As at 31-03-2020	2,562.04
As at 31-03-2021	2,519.18
As at 31-03-2022	2,477.58

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

	(Rs in Lakh)	
Particulars	As at 31st March, 2022	As at 31st March, 2021
Rental income derived from Building	73.79	102.62
Direct operating expenses (including repairs and maintenance) generating rental income	6.18	6.66
Profit arising from investment property before depreciation and indirect expenses	67.62	95.95
Less : Depreciation	41.61	41.63
Profit arising from investment property before indirect expenses	26.01	54.32

Punjab & Sind Bank has earlier taken Symbolic Possession of one of the sub leased property situated at Gandhi Nagar, Gujarat towards recovery of the due amount. Later on the Bank has taken physical possession of the said property vide their letter dated 21.07.2017.

Since physical possession of the said property was given by TCS Ltd., the Licensee without our permission, the matter is contested in Gandhinagar Civil Court along with other related matters.

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

However, the company has protested the contention in case filed by the Bank in Debt Recovery Tribunal Kolkata. The matter is under hearing.

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Meanwhile the Company also filed a case against the bank against non-performance of Specific performance of contract at single bench of Hon'ble Calcutta High Court.

The Single Bench of Hon'ble High Court passed an order against the Company. However, the Company filed an appeal against the said order in the Double Bench of Hon'ble Calcutta High Court. The said Double Bench heard our grounds of appeal and passed order in our favour.

The Bank filed a Special Leave Petition against the said order of the Double Bench of Hon'ble Calcutta High Court in Hon'ble Supreme Court. The matter is being heard thereat.

Various Properties 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.

Fairdeal Supplies Ltd. has made a One Time Settlement with UCO Bank and commenced repayment thereof, however due to impact of COVID-19 on its business, the repayment has been delayed and company requested to the bank for further extension of the repayment duration for balance settled amount. The bank considered the request of the Fairdeal Supplies Ltd and revalidated of their proposal during the year 2021-22 and the company has started making repayment as per revised terms and conditions of the bank.

Fairdeal Supplies Ltd has made OTS with J&K Bank for repayment of OTS amount and has paid full and final settlement amount during the current financial year. The bank has withdrawn all the legal cases filed against the company, its directors/ guarantors.

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	(Rs in Lakh)
<b>As at 31-03-2020</b>	<u>0.67</u>
Additions	0.03
Disposal/Transfer	-
<b>As at 31-03-2021</b>	<u>0.70</u>
Additions	0.06
Disposal/Transfer	-
<b>As at 31-03-2022</b>	<u>0.76</u>
<b>Accumulated depreciation:</b>	
<b>As at 31-03-2020</b>	<u>0.46</u>
Depreciation charge for the year	0.11
Disposal/Transfer	
<b>As at 31-03-2021</b>	<u>0.57</u>
Depreciation charge for the year	0.10
Disposal/Transfer	-
<b>As at 31-03-2022</b>	<u>0.67</u>
<b>Net Block Value:</b>	
As at 31-03-2020	0.20
As at 31-03-2021	0.13
As at 31-03-2022	0.09

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

(Rs in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Unsecured, Considered Good</b>		
<b>Security deposits</b>		
- Related Party	1.52	1.52
- Others	182.23	171.61
Fixed deposit with Bank (Maturity after 12 months)	10.00	8.99
	<b>193.75</b>	<b>182.11</b>

### Note 8 : Income Tax Expenses

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

(Rs in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Current Tax</b>		
Current Tax on taxable income for the year	59.30	27.00
<b>Total Current Tax Expense</b>	<b>59.30</b>	<b>27.00</b>
<b>Deferred Tax</b>		
Deferred Tax charged	(20.24)	(11.21)
<b>Total Deferred Income Tax Expense</b>	<b>(20.24)</b>	<b>(11.21)</b>
<b>Tax in respect of earlier year</b>	-	-
<b>Total Income Tax Expense</b>	<b>39.06</b>	<b>15.79</b>

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:

(Rs in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Particulars</b>		
Profit Before Tax	184.02	130.45
Statutory Tax Rate (%)	25.15%	25.15%
Tax at statutory tax rate	46.28	32.81
Tax effects of amounts which are not deductible in calculating taxable income		



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Different rate of deferred tax compared to current tax	0.00	0.00
Income considered under different Tax Rate	(5.57)	(5.87)
Others	(1.65)	(11.15)
Taxes of earlier years	-	-
<b>Income Tax Expense</b>	<b>39.06</b>	<b>15.79</b>

**B) The movement in deferred tax assets and liabilities during the year ended March 31, 2021 and March 31, 2022**

(Rs in Lakh)

Particulars	Balance sheet		Credit /(charge) in Statement of Profit and Loss	
	As at 31st March, 2022	As at 31st March, 2021	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Deferred tax Liabilities</b>				
Tax impact of difference between carrying amount of PPE in the financial statements and the income tax return	(67.16)	(85.98)	(18.82)	(22.15)
Reversal of Loan Processing Fee	(1.29)	(1.29)	-	0.05
Capital Reserve OTS	(6.13)	(6.13)	-	-
Fair Value of Investment	0.01	(0.03)	(0.04)	(0.04)
<b>Total (A)</b>	<b>(74.57)</b>	<b>(93.43)</b>	<b>(18.86)</b>	<b>(22.14)</b>
<b>Deferred tax Assets</b>				
Tax impact of expenses charged in the financial statements but allowable in future under income tax				
Bonus payable	1.72	1.58	0.15	(0.39)
Unabsorbed depreciation	-	-	-	(14.26)
Expenses disallowed u/s 43B	438.51	438.51	-	(0.97)
Capital losses	2.49	2.49	-	-
Provision for doubtful advances	10.80	10.80	-	1.26
Provision for doubtful debts	14.11	12.14	1.97	2.26
Amortisation of LPF as per EIR	1.22	1.12	0.10	0.20
Allowance for Doubtful Debts	0.87	1.32	(0.45)	0.07
Diminution in the value of Investment	7.26	7.26	-	-
Remeasurement of Defined Benefit Plan			(0.37)	0.91
<b>Total (B)</b>	<b>476.97</b>	<b>475.22</b>	<b>1.38</b>	<b>(10.93)</b>
<b>Net Deferred Tax Assets / (Liabilities) (A-B)</b>	<b>402.40</b>	<b>381.79</b>	<b>20.24</b>	<b>11.21</b>

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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.

### Note 9 : Non Current Tax Assets (Net)

(Rs in Lakh)		
Particulars	As at 31st March, 2022	As at 31st March, 2021
TDS Receivable (Net of Provision)	222.89	240.43
<b>Total</b>	<b>222.89</b>	<b>240.43</b>

### Note 10 : Non Current assets : Others

(Rs in Lakh)		
Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Unsecured Considered Good</b>		
Deposits with Govt. Authorities	17.41	17.46
	17.41	17.46
<b>Unsecured Considered Doubtful</b>		
Capital Advances	27.39	27.39
Less: Provision for Doubtful Advances	27.39	27.39
	-	-
<b>Total</b>	<b>17.41</b>	<b>17.46</b>

### Note 11 : Inventories

(Rs in Lakh)		
Particulars	As at 31st March, 2022	As at 31st March, 2021
Stock in Trade	507.47	420.75
<b>Total</b>	<b>507.47</b>	<b>420.75</b>

Mode of valuation of inventories has been stated in Note No. 2.3

**Note 12 : Current Financial assets : Investments**

(Rs in Lakh)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Units	Amount	Units	Amount
<b>Investment in Government Securities</b>				
Investment in Equity Shares - Coal India	500	0.92		
<b>Investment in Mutual Funds</b>				
Carried at fair value through Profit and Loss Account				
(i) L&T Money Market Fund-Mutual Fund				
(ii) Sun life cash management				
(iii) Reliance Liquidity				
(ii) ICICI Prudential	2,237.37	7.00	1,655.20	5.00
(iv) SBI Liquidity	1,729.40	57.26	2,834.20	90.79
<b>Total</b>	<b>3,966.78</b>	<b>65.18</b>	<b>4,489.40</b>	<b>95.80</b>
<b>Total Unquoted investments - at Market Value</b>		-	-	-
<b>Total Quoted investments - at Market Value</b>		65.18		95.80
<b>Total</b>	<b>-</b>	<b>65.18</b>	<b>-</b>	<b>95.80</b>

**Note 13 : Current Financial assets : Trade Receivables**

(Rs in Lakh)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
<b>Considered Good - Unsecured</b>		
From Related Parties	130.30	266.35
From Others	688.64	652.00
	818.94	918.35
Less: Allowance for Doubtful debts as per Expected Credit Loss Model	2.55	4.35
	816.39	914.00
<b>Trade Receivables which have significant increase in Credit Risk</b>		
From Related Parties	-	-
From Others	83.10	94.16
	83.10	94.16
Less: Allowance for Credit Losses	56.10	37.61
Less: Allowance for Credit Losses for Claim	27.00	56.56
	-	-
<b>Total</b>	<b>816.39</b>	<b>914.00</b>

**Trade Receivable Outstanding for following periods from due date of payment as on 31-03-2022**

(Rs. In Lakhs)

	Particulars	Less Than 6 month	6 month to 1 year	1- 2 year	2-3 year	More than 3 year	Total
1	Undisputed - Considered Good	777.84	16.89	4.82	18.26	1.13	818.94
2	Undisputed– Which have significant increase in credit risk	-	-	-	-	83.10	83.10
3	Undisputed– Credit Impaired	-	-	-	-	-	-
4	Disputed - Considered Good	-	-	-	-	-	-
5	Disputed– Which have significant increase in credit risk	-	-	-	-	-	-
6	Disputed– Credit Impaired	-	-	-	-	-	-
		<b>777.84</b>	<b>16.89</b>	<b>4.82</b>	<b>18.26</b>	<b>84.23</b>	<b>902.04</b>
	Less: Allowance for Credit Losses						85.65
	<b>Total Trade Receivable</b>						<b>816.39</b>

**Trade Receivable Outstanding for following periods from due date of payment as on 31-03-2021**

(Rs. In Lakhs)

	Particulars	Less Than 6 month	6 month to 1 year	1- 2 year	2-3 year	More than 3 year	Total
1	Undisputed - Considered Good	873.97	11.70	32.39	0.29		918.35
2	Undisputed – Which have significant increase in credit risk	-	-	-	-	94.16	94.16
3	Undisputed– Credit Impaired	-	-	-	-	-	-
4	Disputed - Considered Good	-	-	-	-	-	-
5	Disputed– Which have significant increase in credit risk	-	-	-	-	-	-
6	Disputed– Credit Impaired	-	-	-	-	-	-
		<b>873.97</b>	<b>11.70</b>	<b>32.39</b>	<b>0.29</b>	<b>94.16</b>	<b>1012.51</b>
	Less: Allowance for Credit Losses						98.51
	<b>Total Trade Receivable</b>						<b>914.00</b>

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.

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**Note 14 : Cash and Cash Equivalents**

(Rs in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Cash and cash equivalents</b>		
<b>Balance with banks</b>		
In current accounts	53.89	109.30
Bank Deposits (maturity with less than 3 months)	5.22	6.53
<b>Cash On Hand</b>	18.48	13.10
	<u>77.58</u>	<u>128.93</u>

**Note 15 : Other Bank Balances**

(Rs in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Other Bank Balances</b>		
Bank Deposits (maturity with more than 3 months but less than 12 months)	10.37	-
	<u>10.37</u>	<u>-</u>

**Note 16 : Current Financial assets : Loans**

(Rs in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Loans</b>		
<b>(A) Other Loans</b>		
Loans Receivable considered good – Unsecured	600.50	600.39
	<u>600.50</u>	<u>600.39</u>
Loans Receivable - which have significant increase in credit risk	8.58	8.58
Less: Allowance for Bad Doubtful Loans	(8.58)	(8.58)
	<u>-</u>	<u>-</u>
<b>(B) Security Deposit</b>	39.11	-
	<u>639.61</u>	<u>600.39</u>

**Note 17 : Current Financial Assets : Others**

(Rs in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unbilled Revenue	114.19	150.14
Accrued Interest on Deposit	0.74	0.55
Amount due on sale of assets	-	-
Withholding tax recoverable	1.65	2.27
	<u>116.58</u>	<u>152.97</u>

**Note 18 : Other Current Assets**

(Rs in Lakh)		
Particulars	As at 31st March, 2022	As at 31st March, 2021
Receivable from Government Authorities	49.04	49.64
Prepaid Expenses	33.52	26.74
Other Current Assets/ Advances	26.16	28.36
 Advance to Suppliers	 61.01	 11.89
	169.74	116.64

**Note 19 : Equity Share Capital**

(Rs in Lakh)		
Particulars	As at 31st March, 2022	As at 31st March, 2021
<u>Authorised Capital</u>		
60,00,000 Equity Shares of Rs.10 each	600.00	600.00
(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	500.00	500.00
(Previous year 50,00,000 Equity Shares of Rs.10 each)		
Less : Calls In Arrear( 45,100 shares for Rs 5 per each share)	2.26	2.26
	<b>497.75</b>	<b>497.75</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, 2022		As at 31st March, 2021	
	No.of shares	Amount	No.of shares	Amount
Balance at the beginning of the year	60,00,000	600.00	60,00,000	600.00
Balance at the end of the year	60,00,000	600.00	60,00,000	600.00
Issued share capital	As at 31st March, 2022		As at 31st March, 2021	
	No.of shares	Amount	No.of shares	Amount
Balance at the beginning of the year	50,00,000	500.00	50,00,000	500.00
Balance at the end of the year	50,00,000	500.00	50,00,000	500.00
Subscribed and paid up share capital	As at 31st March, 2022		As at 31st March, 2021	
	No.of Shares	Amount	No.of Shares	Amount
Balance at the beginning of the year	50,00,000	497.75	50,00,000	497.75
Balance at the end of the year	50,00,000	497.75	50,00,000	497.75

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, 2022		As at 31st March, 2021	
	No. of Shares	%	No. of Shares	%
Ram Prasad Agarwala	6,23,622	12.47	6,23,622	12.47
Pawan Kumar Agarwala	2,50,266	5.01	2,50,266	5.01
Rewa Jhunhunwala	2,61,400	5.23	2,61,400	5.23
Hotel Jagam Pvt Ltd	2,17,381	4.35	3,12,381	6.25
Mudhra Fine Blanc Pvt Ltd	5,60,284	11.21	5,60,284	11.21

(c) Disclosure of Shareholding of Promoters and Promoter Group

Shares held by promoters and promoter group at the end of the year

Sr. No.	Promoters name	As at March 31, 2022			As at March 31, 2021		
		No. of Shares	% of total Shares	% changes during the year	No. of Shares	% of total Shares	% changes during the year
1	NARAYAN PRASAD AGARWALA	184700	3.69	-	184700	3.69	-
2	RAM PRASAD AGARWALA	623622	12.47	-	623622	12.47	-
3	MS.HANSA AGARWAL	171000	3.42	-	171000	3.42	-
4	REWA JHUNJHUNWALA	261400	5.23	-	261400	5.23	-
5	RENU DEVI JHUNJHUNWALA	101500	2.03	-	101500	2.03	-
6	MR.GAURAV JHUNJHUNWALA	204040	4.08	-	204040	4.08	-
7	SAURABH JHUNJHUNWALA	105440	2.11	-	105440	2.11	-
8	PAWAN KUMAR AGARWALA	250266	5.01	-	250266	5.01	-
9	MANJU CHOUDHURY	124900	2.50	-	124900	2.50	-
10	BHAGWANI DEVI AGARWALA	138900	2.78	-	138900	2.78	-
11	SHILPI JHUNJHUNWALA	5100	0.10	-	5100	0.10	-
12	MUKUND JHUNJHUNWALA	43800	0.88	-	43800	0.88	-
13	LALITADEVI SHYAMSUNDER MURARKA	18700	0.37	-	18700	0.37	-
14	RAJA JHUNJHUNWALA	1000	0.02	-	1000	0.02	-
15	FALGUN EXPORT PRIVATE LIMITED	161900	3.24	-	161900	3.24	-
16	PRIMA FINANCIAL SERVICES LIMITED	35300	0.71	-	35300	0.71	-
	<b>Total</b>	<b>2431568</b>	<b>48.63</b>		<b>2431568</b>	<b>48.63</b>	

(d) 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**

(Rs in Lakh)

Particulars	Reserves & Surplus		Total
	Retained Earnings	Other Reserves	
<b>Balance as at 31-03-2020</b>	99.65		99.65
Profit for the year	114.67		114.67
Other comprehensive Income for the year	2.70		2.70
Total Comprehensive Income for the year	117.37		117.37

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<b>Balance as at 31-03-2021</b>	217.02	217.02
Profit for the year	144.96	144.96
Other comprehensive Income for the year	(1.11)	(1.11)
Total Comprehensive Income for the year	143.85	143.85
<b>Balance as at 31-03-2022</b>	360.87	360.87

**Retained Earnings**

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	(Rs in Lakh)	
	As at 31st March, 2022	As at 31st March, 2021
<b>Secured</b>		
Term Loans from Banks	-	-
Term Loans -Others	-	126.90
<b>Secured Loans- (A)</b>	-	126.90
<b>Unsecured</b>		
From Directors	53.13	127.94
Inter Corporate Deposit	10.70	
<b>Unsecured Loans- (B)</b>	63.82	127.94
<b>Total (A+B)</b>	<b>63.82</b>	<b>254.84</b>

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 @ 9% p.a.

Term loan (secured) from IndoStar Capital Finance Ltd (formerly known as India Infoline Finance Ltd.) In form of commercial vehicle finance facility secured against hypothecation of commercial vehicle of the company as well as by way of hypothecation of some of the commercial vehicle of the company. The financier is also holding personal guarantee of managing director of the company, The Said loan carries interest rate @ 13.50% p.a and the loan is repayable in monthly equated installment of Rs. 4,84,650/- inclusive of interest. (Current year – Balance Outstanding Rs. NIL P. Y. Balance Outstanding Rs. 46,18,769/-)

Term loan (secured) from IndoStar Capital 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 @ 12.02% p.a and the loan is repayable in monthly equated installment of Rs. 4,36,200/- inclusive of interest. (Current year – Balance Outstanding Rs. 4,31,820/- P. Y. Balance Outstanding Rs. 52,92,195/-)

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. NIL P. Y. Balance Outstanding Rs. 39,66,303/-)



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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 @ 12.50% p.a. and The loan is repayable in monthly equated installment of Rs. 1,83,645/- each inclusive of interest. (Current year- Balance Outstanding Rs. 5,39,640/- P. Y. Balance Outstanding Rs. 25,38,040/-)

Term loan (secured) from Toyota Financial Service India Ltd. In form of motor vehicle finance facility secured against hypothecation of motor vehicle of the company. The Said loan carries interest rate @ 9.49% p.a and The loan is repayable in monthly equated installment of Rs. 32,033/- each inclusive of interest. (Current year- Balance Outstanding Rs. 27,990/- P. Y. Balance Outstanding Rs. 3,90,960/-)

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. 4,97,250/- each inclusive of interest. (Current year- Balance Outstanding Rs. NIL P. Y. Balance Outstanding Rs. 29,00,196/-)

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 financier is also holding personal guarantee of director of the company, The Said loan carries interest rate flat @ 9.49% P.A and The loan is repayable in monthly equated installment of Rs. 42,360/- each inclusive of interest. (Current year- Balance Outstanding Rs. 4,44,943/- P. Y. Balance Outstanding Rs. 8,64,879/-)

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. 1,56,450/- each inclusive of interest. (Current year- Balance Outstanding Rs. NIL P. Y. Balance Outstanding Rs. 15,00,170/-)

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 Interest provision on loan taken from the bank has not been accounted for the financial year 2017-18 to 2021-22 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 filed SLP in Hon'ble Supreme Court against the above order of double bench of Hon'ble Calcutta High Court. The matter is being heard thereat.

### Note 22 : Current Borrowing

Particulars	(Rs in Lakh)	
	As at 31st March, 2022	As at 31st March, 2021
<b>Secured</b>		
(a) Loans repayable on demand from banks	4,806.96	4,805.36
(b) Loans repayable on demand from others	-	-
(c) Current Maturities of Long Term Loans	14.43	94.16
	4,821.40	4,899.52

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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

(Rs in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Micro, Small & Medium Enterprises	2.49	2.59
Others	333.06	393.53
	335.55	396.12

Refer Note for information about liquidity risk market risk of trade payable.

Particulars	2021-2022	2020-2021
Principal amount due to suppliers under MSMED Act, at the yearend (since paid)	2.49	2.59
Interest accrued and due to suppliers under MSME Act, on the above amount as at the year end	-	-
payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (other than section 16)	-	-
Interest paid to suppliers under MSMED Act (section 16)	-	-
Interest due and payable to Suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the yearend to Suppliers under MSMED ACT	-	-

#### Trade Payable Outstanding for following periods from due date of payment as at 31-03-2022

	Particulars	Less Than 1 Year	1- 2 year	2-3 year	More than 3 year	Total
1	MSME	2.49	-	-	-	2.49
2	Others	119.22	5.42	7.66	200.76	333.06
3	Disputed- MSME	-	-	-	-	-
4	Disputed- Others	-	-	-	-	-

#### Trade Payable Outstanding for following periods from due date of payment as at 31-03-2021

	Particulars	Less Than 1 Year	1- 2 year	2-3 year	More than 3 year	Total
1	MSME	2.59	-	-	-	2.59
2	Others	177.60	10.89	3.69	201.35	393.53
3	Disputed- MSME	-	-	-	-	-
4	Disputed- Others	-	-	-	-	-

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### Note 24 : Other Current Financial Liabilities

(Rs in Lakh)		
Particulars	As at 31st March, 2022	As at 31st March, 2021
Security Deposits	102.27	98.45
Other payables		
- Others	24.40	17.98
- Related Party	8.13	8.13
<b>Total</b>	<b>134.80</b>	<b>124.55</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

(Rs in Lakh)		
Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances From Customers	62.30	17.14
Other payables	8.43	6.46
Statutory Remittances	8.22	7.29
<b>Total</b>	<b>78.96</b>	<b>30.89</b>

### Note 26 : Provisions

(Rs in Lakh)		
Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee Benefits (Refer Note 2.12)	40.54	31.90
<b>Total</b>	<b>40.54</b>	<b>31.90</b>

### Note 27 : Revenue From Operations

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Sale of Products		
- Sales	5,561.93	4,096.96
Sale of Services	1,516.43	1,666.13
- Logistics Operations	1,251.69	1,409.61
- Rent Income	77.06	104.68
- Wind Energy	187.68	151.84
Other Operating Revenue	96.36	97.34
<b>Total</b>	<b>7,174.72</b>	<b>5,860.43</b>

**Note 28 : Other Income**

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest on Banks(Gross,T.D.S.Rs.7469/-,P.Y.Rs.35728/-)	1.08	0.96
Interest on Others	100.08	88.10
Provision No Longer Required Written Back	30.94	15.32
Profit/(Loss) on Sale of Investments	1.47	1.02
Profit/loss on Sale of Assets	0.29	4.44
Miscellaneous Income	212.32	191.47
Sundry Balances Written Back	4.81	13.54
	<b>351.00</b>	<b>314.85</b>

**Note 29 : Purchase of Stock in Trade**

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Automobile Parts & Lubricants	2,690.80	1,919.53
MS & HSD Purchase	2,611.38	1,654.24
	<b>5,302.18</b>	<b>3,573.77</b>

**Note 30 : Change in Inventories of Finished Goods, Stock in Trade & Work-in-Progress**

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening Stock-in-trade	420.75	671.58
Less : Closing Stock-in-trade	507.47	420.75
	<b>(86.72)</b>	<b>250.83</b>

**Note 31 : Employee Benefit Expenses**

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Salary, Bonus & Allowances	451.40	422.23
Staff Welfare Expense	14.68	10.01
Contribution to Provident Fund and other Funds	20.75	20.08
	<b>486.82</b>	<b>452.32</b>

**Note 32 : Financial Charges**

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest on borrowings	13.79	36.83
Others borrowing cost	14.35	5.37
	<b>28.15</b>	<b>42.20</b>

**Note 33 : Depreciation and Amortisation Expense**

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation on Property, Plant & Equipment	133.20	159.47
Depreciation on Investment Property	41.61	41.63
Amortisation on Intangible Assets	0.10	0.11
	<b>174.91</b>	<b>201.20</b>

**Note 34 : Other Expenses**

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b><u>Operation Expenses</u></b>		
Freight Payment	194.92	508.86
Trip Expense And Allowances	264.85	221.69
Diesel Expense	448.86	348.67
Claims	2.19	7.59
Loading & Unloading Expense	100.64	84.08
Repair and Maintenance - Machinery	78.09	67.18
Repair and Maintenance - Building	6.73	7.12
Repair and Maintenance - Others	8.62	13.94
Other Operational Expense	87.06	47.34
	<b>1,191.96</b>	<b>1,306.48</b>
<b><u>Administrative &amp; Other Expenses</u></b>		
Travelling & Conveyance Expense	23.74	18.50
Auditors Remuneration (refer note 35.1)	4.73	4.73
Insurance Premium	32.72	33.55
Rates & Taxes	9.17	10.19
Rent	29.37	30.10
Provision for doubtful debts and advances	18.07	9.62
Bad debt Written off/Sundry Balance Written off (Net)	3.18	6.61
Penalty/Fines	0.25	-
Other Administrative Expense	111.03	94.97
Brokerage and commission	12.14	9.74
	<b>244.40</b>	<b>218.02</b>
Total	<b>1,436.36</b>	<b>1,524.50</b>

**Note 35.1 : Auditor's Remuneration**

Particulars	(Rs in Lakh)	
	Year ended 31st March, 2022	Year ended 31st March, 2021
Audit fees (including limited reviews)	3.78	3.78
Taxation Matters	0.95	0.95
	<b>4.73</b>	<b>4.73</b>

**35. Additional Disclosure requirement:**

**35.1 Financial Instruments**

**Financial Instruments Classification Category**

(Rs in Lakh)

Particulars	31 March 2022			31 March 2021		
	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>						
Investments	64.26	-	0.92	95.80	-	-
Trade receivables	-	-	816.39	-	-	914.00
Cash & cash equivalents	-	-	77.58	-	-	128.93
Other balances with banks	-	-	10.37	-	-	-
Loans	-	-	639.61	-	-	600.39
Other financial assets	-	-	116.58	-	-	152.97
<b>Total</b>	<b>64.26</b>	<b>-</b>	<b>1661.46</b>	<b>95.80</b>	<b>-</b>	<b>1796.29</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	4885.22	-	-	5154.36
Trade payables	-	-	335.55	-	-	396.12
Other financial liabilities	-	-	134.80	-	-	124.55
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5355.57</b>	<b>-</b>	<b>-</b>	<b>5675.03</b>

**Fair Value Hierarchy**

(Rs in Lakh)

Financial Assets and liabilities measured at fair value 31.03.2022 & 31.03.2021	Level 1	Level 2	Level 3	Total
<b>As at March 31,2022</b>				
<b>Financial Assets</b>				
FVTPL (Investment)	64.26	-	-	64.26
FVTOCI	-	-	-	-
<b>As at March 31,2021</b>				
<b>Financial Assets</b>				
FVTPL (Investment)	95.80	-	-	95.80
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**

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**

(Rs. In Lakh)

Ageing	Mar-22		Mar-21	
0-60 days	634.52	0.63	620.17	0.62
61- 120 Days	141.37	1.06	128.38	0.96
121 - 180 days	1.95	0.03	125.42	1.88
More than 180 days	41.09	0.82	44.38	0.89
<b>Total</b>	<b>818.94</b>	<b>2.55</b>	<b>918.35</b>	<b>4.35</b>
<b>Provision to be recognised in P&amp;L</b>		(1.81)		0.12

The Company has used a practical expedient by computing the expected loss allowance for trade receivables based on historical credit loss experience and adjustments for forward looking information.

**Reconciliation of loss allowance provision**

(Rs. In Lakh)

Reconciliation of Loss Allowance	2020-21	2020-21
Opening Balance	4.35	4.23
Changes due to purchase/realisation of asset	(1.81)	0.12
Write off Bad Debts	-	-
Change in risk parameters (Additional Provision)	-	-
<b>Closing Balance</b>	<b>2.55</b>	<b>4.35</b>

**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

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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 (31-03-2021 & 31-03-2022)

(Rs. In Lakh)

Financial Liabilities	Within 12 months	After 12 months
<b>As at March,2021</b>		
<b>Non derivative</b>		
Borrowings	4899.52	254.84
Trade payables	396.12	-
Other financial liabilities	124.55	-
<b>Derivative</b>	-	-
<b>As at March,2022</b>		
<b>Non derivative</b>		
Borrowings	4821.40	63.82
Trade payables	335.55	-
Other financial liabilities	134.80	-
<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

Particulars	As at 31-03-2022	As at 31-03-2021
	US\$	US\$
Financial Assets	-	-
Financial Liabilities	-	-
<b>Net Exposure</b>	-	-

#### (b) Sensitivity

Particulars	Impact on PBT	
	As at 31-03-2022	As at 31-03-2021
USD Sensitivity (+1%)	NIL	NIL
USD Sensitivity (-1%)	NIL	NIL

### 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

(Rs. In Lakh)

Particulars	31.03.2022	31.03.2021
Variable Rate borrowings	-	-
Fixed Rate Borrowings	4885.22	5154.36

**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**

(Rs. In Lakh)

Particulars	Impact on PBT		Impact on other Components of Equity	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Investment price sensitivity (+10%)	6.52	9.58	-	-
Investment price sensitivity (-10%)	(6.52)	(9.58)	-	-

**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 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).

Particulars	31-03-2022	31-03-2021
Net Debt	4885.22	5154.36
Total Equity	858.62	714.77
<b>Debt Equity Ratio</b>	5.69	7.21

**35.3 Ratio Analysis and its elements**

Ratio	For the year ended on 31-03-2022	For the year ended on 31-03-2021	Variance %	Reason for Variance
(a) Current Ratio	0.44	0.44	(0.22%)	
(b) Debt-Equity Ratio	5.69	7.21	21.10%	
(c) Debt Service Coverage Ratio	2.85	1.60	(77.89%)	Due to reduction in Debt
(d) Return on Equity Ratio	0.18	0.17	5.43%	
(e) Inventory turnover ratio	11.24	7.00	60.48%	Due to Favourable Market Conditions
(f) Trade Receivables turnover ratio	8.29	7.00	18.47%	

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(g) Trade payables turnover ratio	18.42	8.77	109.98%	Due to payment of Trade Payable
(h) Net capital turnover ratio	(2.38)	(1.92)	(24.27%)	
(i) Net profit ratio	2.02%	1.96%	3.26%	
(j) Return on Capital employed	23.00%	17.81%	29.17%	Due to Favourable Market Conditions

Since no income has been generated from investments during the year ended March 31, 2022 and March 31, 2021, the ratio of **Return on Investment** has not been disclosed.

**Definitions:**

(a) Earning for available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc.

(b) Debt service = Interest & Lease Payments + Principal Repayments

(c) Average inventory = (Opening inventory balance + Closing inventory balance) / 2

(d) Net credit sales = Net credit sales consist of gross credit sales minus sales return (

(e) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2

(f) Net credit purchases = Net credit purchases consist of gross credit purchases minus purchase return (g)

Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2

(h) Working capital = Current assets - Current liabilities.

(i) Earnings before interest and taxes = Profit before exceptional items and tax + Finance costs - Other Income

(j) Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

(k) Return on Investment  $(MV(T1) - MV(T0) - \sum [C(t)]) / (MV(T0) + \sum [W(t) * C(t)])$  where, T1 = End of time period T0 = Beginning of time period t = Specific date falling between T1 and T0 MV(T1) = Market Value at T1 MV(T0) = Market Value at T0 C(t) = Cash inflow, cash outflow on specific date W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as  $[T1 - t] / T1$

**35.4 Lease**

**As a Lessee**

(Rs. In Lakh)

Particulars	31-03-2022	31-03-2021
<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	28.77	29.15

**As a Lessor**

**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** (Rs in Lakh)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
For a period not later than one year	74.32	101.00

### 35.5 Segment information

#### Operating Segments:

a) Transportation	b) Trading	c) Generation of Wind Energy	d) Renting of Immovable Property	e) Petrol Pump	f) Others
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#### 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 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 unallocable 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 unallocable 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

(Rs. In Lakh)

Product/Service	Revenue from the product	
	31-03-2022	31-03-2021
Sale of automobile parts & Lubricants	2873.10	2393.85
Sale of wind energy	187.68	151.84
Logistic service	1251.69	1409.61
Renting of movable/ immovable property	73.79	102.62
Petrol Pump	2688.84	1704.47

The above incomes are inclusive of discount given to customers

#### 2. Information about Geographical Areas

(Rs. In Lakh)

<u>Geographical Segments</u>					
Particulars	Calcutta Division	Ahmedabad Division	Banglore Division	Others	Total Rs.
<b>Revenue</b>					
<b>External Sales:</b>					
Domestic Sales/Income	<b>2,880.11</b>	<b>3,862.66</b>	<b>782.95</b>	-	<b>7,525.73</b>
	<i>1,915.00</i>	<i>3,455.71</i>	<i>613.77</i>	<i>190.80</i>	<i>6,175.28</i>
Export Sales	-	-	-	-	-
	-	-	-	-	-
<b>Total Sales/Income</b>	<b>2,880.11</b>	<b>3,862.66</b>	<b>782.95</b>	-	<b>7,525.73</b>
	<i>1,915.00</i>	<i>3,455.71</i>	<i>613.77</i>	<i>190.80</i>	<i>6,175.28</i>
Add: Inter Segment Sales	-	-	-		-

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	-	-	-	-	-
<b>Total Sales</b>	<b>2,880.11</b>	<b>3,862.66</b>	<b>782.95</b>	-	<b>7,525.73</b>
	<i>1,915.00</i>	<i>3,455.71</i>	<i>613.77</i>	<i>190.80</i>	<i>6,175.28</i>
Less: Inter Segment Sales	-	-	-	-	-
	-	-	-	-	-
<b>Total Revenue</b>	<b>2,880.11</b>	<b>3,862.66</b>	<b>782.95</b>	-	<b>7,525.73</b>
	<i>1,915.00</i>	<i>3,455.71</i>	<i>613.77</i>	<i>190.80</i>	<i>6,175.28</i>
<b>Total Assets</b>					
<b><u>Segment Assets</u></b>	<b>2,961.38</b>	<b>2,417.16</b>	<b>341.51</b>	-	<b>5,720.05</b>
	<i>2,942.80</i>	<i>2,486.71</i>	<i>411.44</i>	-	<i>5,840.95</i>
Unallocable Asset					-
					-
Total Cost Incurred during the year to acquire segment assets	<b>27.41</b>	<b>0.86</b>	<b>13.84</b>	-	<b>42.11</b>
	<i>28.35</i>	<i>13.54</i>	<i>0.14</i>	-	<i>42.03</i>

**3. Information about Major Customers(Both Years)**

The company has only one major customer having turnover of more than 10% in the year 2020-21 and 2021-22.

**4. Information about Business Segment**

(Rs. In Lakh)

<b><u>Business Segment</u></b>							
Particulars	Wind Energy	Trading	Transportation	Renting of Immovable Properties	Petrol Pump	Others	Total Rs.
<b><u>Revenue</u></b>							
<b><u>External Sales :</u></b>							
Domestic Sales	<b>187.68</b>	<b>2,873.10</b>	<b>1,251.69</b>	<b>73.79</b>	<b>2,688.84</b>	<b>450.63</b>	<b>7,525.73</b>
	<i>151.84</i>	<i>2,393.85</i>	<i>1,409.61</i>	<i>102.62</i>	<i>1,704.47</i>	<i>412.90</i>	<i>6,175.28</i>
Export Sales	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Total External Sales</b>	<b>187.68</b>	<b>2,873.10</b>	<b>1,251.69</b>	<b>73.79</b>	<b>2,688.84</b>	<b>450.63</b>	<b>7,525.73</b>
	<i>151.84</i>	<i>2,393.85</i>	<i>1,409.61</i>	<i>102.62</i>	<i>1,704.47</i>	<i>412.90</i>	<i>6,175.28</i>
Add: Inter Segment Sales	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Total Segment Sales/ Revenue</b>	<b>187.68</b>	<b>2,873.10</b>	<b>1,251.69</b>	<b>73.79</b>	<b>2,688.84</b>	<b>450.63</b>	<b>7,525.73</b>
	<i>151.84</i>	<i>2,393.85</i>	<i>1,409.61</i>	<i>102.62</i>	<i>1,704.47</i>	<i>412.90</i>	<i>6,175.28</i>
<b>Segment result before interest, exceptional/ extraordinary items &amp; tax</b>	<b>80.21</b>	<b>196.55</b>	<b>50.61</b>	<b>41.04</b>	<b>24.45</b>	<b>(180.69)</b>	<b>212.17</b>
	<i>83.73</i>	<i>159.91</i>	<i>33.62</i>	<i>70.14</i>	<i>42.22</i>	<i>(216.97)</i>	<i>172.65</i>
<b>Add: Unallocated Income Net of Unallocable Exp.</b>							-
							-
<b>Less : Interest</b>							<b>28.15</b>
							<i>42.20</i>
<b>Profit Before Exceptional/ Extra Ordinary items &amp; tax</b>							<b>184.02</b>

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							130.45
Prior Period Adjustment & Exceptional/Extra Ordinary Items	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Profit Before taxes</b>	-	-	-	-	-	-	<b>184.02</b>
	-	-	-	-	-	-	130.45
Taxes							<b>59.30</b>
							-
<b>Total Assets</b>							
<u>Segment Assets</u>	<b>278.98</b>	<b>1,556.06</b>	<b>497.54</b>	<b>1,979.88</b>	<b>308.20</b>	<b>1,099.39</b>	<b>5,720.05</b>
	298.08	1,624.69	621.25	2,008.85	230.07	1,058.01	5,840.95
Unallocable Asset at HO							-
							-
<b>Total</b>							<b>5,720.05</b>
							5,840.95
<b>Total Liabilities</b>							
<u>Segment Liabilities</u>	<b>6.90</b>	<b>4,872.42</b>	<b>70.86</b>	-	<b>63.90</b>	<b>468.56</b>	<b>5,482.64</b>
	14.31	4,869.53	189.32	-	22.23	650.65	5,746.04
Unallocable Liability at HO							-
							-
<b>Total</b>							<b>5,482.64</b>
							5,746.04
Total Cost Incurred during the year to acquire segment assets	-	<b>13.84</b>	-	-	<b>22.42</b>	<b>5.85</b>	<b>42.11</b>
	-	0.14	12.41	-	22.42	7.05	42.03
Total Cost Incurred during the year to acquire unallocable Asset							-
							-
<b>Segment Depreciation</b>	<b>12.30</b>	<b>2.27</b>	<b>90.38</b>	<b>29.37</b>	<b>14.49</b>	<b>26.10</b>	<b>174.91</b>
	12.31	2.34	119.79	29.37	14.49	22.90	201.20
<b>Segment Depreciation(Unallocable Asset)</b>							-
							-
<b>Non-cash expenses other than depreciation</b>	-	-	<b>0.12</b>	-	-	<b>1.25</b>	<b>1.37</b>
	-	5.00	1.59	-	-	0.14	6.73

**35.6 Related Party Transactions: Give a List of related parties with relationship**

**(a) List of Related Parties**

<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 ShaktiSteel Pvt. Ltd	Associate Concern
Frontline Industries Ltd.	Associate Concern

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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
Narayanprasad Agarwal	Key Managerial Personnel
Saurabh Jhunjhunwala	Key Managerial Personnel
Bajinath Sons & HUF	Relative of KMP
Bhagwani Devi Agrawal	Relative of KMP
Gaurav Jhunjhunwala	Relative of KMP
Hansa Agrawal	Relative of KMP
Shraddha Jhunjhunwala	Relative of KMP
Raja Jhunjhunwala	Relative of KMP
Mukund Jhunjhunwala	Relative of KMP
Narayanprasad Agrawal & Sons H.U.F.	Relative of KMP
Ramprasad Agrawal & sons H.U.F.	Relative of KMP
Renudevi Jhunjhunwala	Relative of KMP
Rewadevi Jhunjhunwala	Relative of KMP
Shilpi Jhunjhunwala	Relative of KMP
Kritin Jhunjhunwala	Relative of KMP
Venya Jhunjhunwala	Relative of KMP
Vrinda Beriwala	Relative of KMP
Shradha Jhunjhunwala	Relative of KMP

**(b) Key Managerial Personnel Compensation: NIL**

**(c) Transactions with related Parties**

(Rs. In Lakh)

Sr. No.	Particulars		
		2021-22	2020-21
1	<b><u>Interest on Loan</u></b>	<b>12.82</b>	<b>4.45</b>
	Prima Financial Services Ltd.	-	1.83
	Saurabh Jhunjhunwala	4.47	1.55
	Pawankumar Agarwala	5.95	0.82
	Ramprasad Agarwala	1.85	0.14
	Narayan Prasad Agarwala	0.55	0.12
2	<b><u>Sale of Goods</u></b>	<b>517.08</b>	<b>426.58</b>
	M/S Fairdeal(partnership firm)	474.94	365.63
	Scientific Weigh Bridge & Auto parts(partnership firm)	42.14	60.95
3	<b><u>Sale of Services</u></b>	<b>1.02</b>	<b>1.02</b>
	Shiv Shakti steel Pvt Ltd	1.02	1.02
4	<b><u>Rent Income</u></b>	<b>1.20</b>	<b>1.20</b>
	Fairdeal Supplies Ltd	1.20	1.20
5	<b><u>Rent Expense</u></b>	<b>24.84</b>	<b>24.84</b>
	Fairdeal Supplies Ltd	1.80	1.80

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	Ramprasad Agrawal	7.68	7.68
	Narayan Prasad Agrawal	7.68	7.68
	Pawankumar Agrawal	7.68	7.68
6	<b><u>Purchase of Goods</u></b>	<b>14.35</b>	-
	M/S Fairdeal(partnership firm)	14.35	-

**(d) Outstanding balance arising from sale or purchase of goods and services** (Rs. In Lakh)

Particulars	31-03-2022	31-03-2021
<b>Trade Receivable</b>		
M/s. Fairdeal	135.87	273.38

**(e) Loans from related parties**

(Rs. In Lakh)

Particulars	Prima financial Services ltd.		Ram Prasad Agarwal		Pawankumar Agarwal		Narayan Prasad Agarwal		Saurabh Jhunjunwala		Mukund Jhunjunwala	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>From Associates</b>												
Beginning of the year	-	57.84	-	-	-	-	-	-	-	-	-	-
Loan Advancement	-	-	-	-	-	-	-	-	-	-	-	-
Repayment made	-	59.66	-	-	-	-	-	-	-	-	-	-
Interest Charged	-	1.83	-	-	-	-	-	-	-	-	-	-
<b>From KMP</b>												
Beginning of the year	-	-	20.03	-	63.86	-	6.11	-	37.94	4.54	-	-
Loan Advancement	-	-	3.00	19.90	7.00	63.10	-	6.00	24.50	34.50	2.00	-
Repayment made	-	-	24.88	0.01	76.80	0.06	6.66	0.01	13.79	2.64	2.00	-
Interest Charged	-	-	1.85	0.14	5.95	0.82	0.55	0.12	4.47	1.55	-	-

**(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 @9% p.a. while loan from Key managerial Personnel availed @9% rate of interest. The terms of repayment are not finalized by the management.

**35.7 Earnings per Share**

Particulars	31.03.2022	31.03.2021
<b>Basic EPS</b>		
From Continuing Operations attributable to equity share holders	2.91	2.30
From Discontinuing Operations	-	-
Total Basic EPS attributable to equity Shareholders	2.91	2.30
<b>Diluted EPS</b>		
From Continuing Operations attributable to equity share holders	2.91	2.30
From Discontinuing Operations	-	-
Total Diluted EPS attributable to equity Shareholders	2.91	2.30

**Reconciliation of earnings used in calculation of EPS**

(Rs. In Lakh)

Particulars	31.03.2022	31.03.2021
<b>Basic EPS</b>		
Profit attributable to equity shareholders used in calculation of Basic EPS	144.96	114.67
-from continuing operations	144.96	114.67
-from discontinued operations	-	-
<b>Diluted EPS</b>		
Profit from continuing operations attributable to equity shareholders used in calculation of basic EPS	144.96	114.67
Add/less	-	-
Used in calculation of diluted EPS	144.96	114.67
Profit from discontinued operation	-	-
<b>Profit attributable to equity holders of the company used in calculating diluted EPS</b>	144.96	114.67

**Weighted Average number of shares as denominator**

(Nos. In Lakh)

Particulars	31.03.2022	31.03.2021
Weighted average number of shares used in calculation of Basic EPS	49.77	49.77
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	49.77	49.77

**35.8 Employee Benefits**

**Defined Contribution Plan**



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Particulars	31.03.2022
Company's Contribution towards	
Provident Fund	5.76
Pension Fund	11.53
ESI	1.50

**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:** (Rs. In Lakh)

Particulars	31.03.2022	31.03.2021
<b>Liability at the beginning of the period</b>	<b>58.59</b>	<b>55.53</b>
Interest Costs	4.06	3.80
Current Service Costs	4.38	4.47
Transfers	-	-
Benefits paid	(1.36)	(1.28)
Actuarial (Gain)/Loss on obligations due to change in		
Demography Assumptions	-	-
Financials Assumptions	(2.68)	(0.61)
Experience Assumptions	(3.81)	(3.33)
<b>Liability at the end of the period</b>	<b>66.81</b>	<b>58.59</b>

- (b) **Movements in the fair value of plan assets** (Rs. In Lakh)

Particulars	31.03.2022	31.03.2021
<b>Fair value of plan assets at the beginning of the period</b>	<b>60.86</b>	<b>56.28</b>
Interest Income	4.22	3.85
Expected return on plan assets	(0.34)	(0.33)
Contributions	9.64	2.35
Transfers	-	-
Benefits paid	(1.36)	(1.28)
<b>Fair value of plan assets at the end of the period</b>	<b>73.02</b>	<b>60.86</b>

- (c) **Net liability disclosed above relates to** (Rs. In Lakh)

Particulars	31.03.2022	31.03.2021
Fair value of plan assets at the end of the period	73.02	60.86
Liability as at the end of the period	(66.81)	(58.59)
<b>Net Liability/Asset</b>	<b>6.22</b>	<b>2.28</b>
Non-Current Portion	-	-
Current Portion	<b>6.22</b>	<b>2.28</b>

**(d) Balance Sheet Reconciliation**

(Rs. In Lakh)

Particulars	31.03.2022	31.03.2021
<b>Opening Net liability</b>	<b>(2.28)</b>	<b>(0.74)</b>
-Expenses recognized in the statement of P&L		
-Expenses recognized in the OCI	4.22	4.42
-Employer's Contribution	1.48	(3.61)
<b>Amount recognized in the Balance Sheet</b>	<b>(9.64)</b>	<b>(2.35)</b>
	<b>(6.22)</b>	<b>(2.28)</b>

**Profit & Loss Disclosures**

**(a) Net interest Cost for Current period**

(Rs. In Lakh)

Particulars	31.03.2022	31.03.2021
Interest Cost	4.06	3.80
Interest Income	(4.22)	(3.85)
<b>Net interest Cost</b>	<b>(0.16)</b>	<b>(0.05)</b>

**(b) Expenses recognised in the profit & loss statement**

(Rs. In Lakh)

Particulars	31.03.2022	31.03.2021
Net Interest Cost	(0.16)	(0.05)
Current Service Cost	4.38	4.47
<b>Expenses recognized in the profit &amp; loss</b>	<b>4.22</b>	<b>4.42</b>

**(c) Expenses recognized in the Other Comprehensive Income**

(Rs. In Lakh)

Particulars	31.03.2022	31.03.2021
<b>Remeasurement</b>		
Expected return on plan assets	0.34	0.33
Actuarial (Gain) or Loss	<b>1.14</b>	(3.94)
<b>Net Income / Expenses recognized in OCI</b>	<b>1.48</b>	<b>(3.61)</b>

**Sensitivity Analysis**

(Rs. In Lakh)

Particulars	31.03.2022	31.03.2021
<b>Projected Benefit obligation on current assumptions</b>	66.81	58.59
Delta effect of 1% change in Rate of		
-Discounting	(6.67)	(6.17)
-Salary Increase	7.79	7.24
-Employee Turnover	<b>0.13</b>	(0.09)
Data effect of (-1%) change in Rate of		
-Discounting	7.84	7.32
-Salary Increase	(6.74)	(6.22)
-Employee Turnover	(0.15)	0.10

**Significant Actuarial Assumptions**

Particulars	31.03.2022	31.03.2021
Discount Rate	<b>7.29%</b>	<b>6.93%</b>
Rate of return on Plan Assets	<b>7.29%</b>	<b>6.93%</b>
Salary Escalation	<b>7.00%</b>	<b>7.00%</b>
Attrition Rate	<b>1.00%</b>	<b>1.00%</b>

**35.9 Provisions, Contingent Liabilities and Contingent Assets**

**Contingent Liability not provided for**

(Rs. In Lakh)

Particulars	2021-22	2020-21
Corporate Bank Guarantee	31800.00	31800.00
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)	401.52	401.52
Disputed direct and indirect taxes which appeals are pending at different forums	206.85	92.93
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	212.88	212.88
<b>TOTAL CONTINGENT LIABILITY</b>	<b>32621.25</b>	<b>32507.33</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 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.

Fairdeal Supplies Ltd. has made a One Time Settlement with UCO Bank and commenced repayment thereof, however due to impact of COVID-19 on business, the repayment has been delayed and company requested to the bank for further extension of the repayment duration for balance settled amount. The bank considered the request of the Fairdeal Supplies Ltd and revalidated of their proposal during the year 2021-22 and the company has started making repayment as per revised terms and conditions of the bank.

Fairdeal Supplies Ltd has made OTS with J&K Bank for repayment of OTS amount and has paid full and final settlement amount during the current financial year. The bank has withdrawn all the legal cases filed against the company, its directors/ guarantors.

- 35.10 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and there are no long term contracts for which there are any material foreseeable losses. The Company has ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on derivative contracts has been made in the books of accounts.
- 35.11 There have been no transactions which have not been recorded in the books of accounts, which have been surrendered or disclosed as income during the year ended 31 March 2022 and 31 March 2021, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2022 and 31 March 2021.
- 35.12 The Company has borrowings from Punjab & Sind Bank on the basis of security of current assets and the quarterly returns filed by the Company with the bank has been declared NPA by bank since May 2012, hence no compliance has been done during the year.

- 35.13 The Company does not have any charges which is yet to be registered with ROC beyond the statutory period. As regards satisfaction of some of the charges of GE Capital Transport Financial Services LTD for which our company has been repaid the whole financed amount but could not filed the satisfaction of charge due to non-receipt of NO DUE Certificate for MCA filing. GE Capital Transport Financial Services LTD has amalgamated and closed its all branch offices, meanwhile we send many reminder mails to the company for issue of No Due Certificate, but no reply has been received so far. The loan borrowed by Fairdeal Supplies Limited from Jammu and Kashmir bank for which corporate guarantee has been given by our company has been fully repaid by the said company, however the satisfaction is pending for non-receipt of No due certificate from the bank.

The details of non-satisfaction of charges is as under:

Sr. No.	Brief description of the charges or satisfaction	Amount of Charge	location of the Registrar	Period by which such charge had to be registered	Reason for delay in registration
1	GE Capital Transportation Financial Services Limited, 04, Link Road, Jungpura Extn. New Delhi - 110 014	1,89,70,000/-	ROC WEST BENGAL, KOLKATA	24/03/2006	GE Capital Transport Financial Services LTD has amalgamated and closed its all branch offices.
2	GE Capital Transportation Financial Services Limited, 04, Link Road, Jungpura Extn. New Delhi - 110 014	47,00,000/-	ROC WEST BENGAL, KOLKATA	08/06/2009	GE Capital Transport Financial Services LTD has amalgamated and closed its all branch offices.
3	GE Capital Transportation Financial Services Limited, 04, Link Road, Jungpura Extn. New Delhi - 110 014	1,15,00,000/-	ROC WEST BENGAL, KOLKATA	24/03/2006	GE Capital Transport Financial Services LTD has amalgamated and closed its all branch offices.
4	GE Capital Transportation Financial Services Limited, 04, Link Road, Jungpura Extn. New Delhi - 110 014	1,15,00,000/-	ROC WEST BENGAL, KOLKATA		Charge for 115.00 Lakh was already created on 25/09/2006 with ID No 10123563, however this charge (ID no 10122587) wrongly created by GECTFSL Twice.
5	The Jammu & Kashmir Bank. Kolkata Main Branch , Mukherjee Road , Kolkata	2,50,00,000/-	ROC WEST BENGAL, KOLKATA	31/07/2021	No Due Certificate by the Bank is awaited for filing of CHG 4

- 35.14 The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority. It has been informed that one of the companies and the directors (common directors of our company) in which our company has issued Corporate Guarantee against the facilities granted to the said company, has been declared wilful defaulter by UCO bank. It has been further informed that the said company made One Time Settlement with the UCO bank and has repaid around 76.15% of the One Time Settlement amount as on the balance sheet date, and further repayment is continuing till the reporting date of Annual accounts. We are hopeful that the said company will honour repayment of the OTS amount as per schedule.

The company has also been informed that the said company and the directors in which directors are common with our company, has been declared wilful defaulter by Indian Overseas Bank. Being aggrieved of the declaration of wilful defaulter by the review committee of the bank, the said company filed a writ petition in the H'ble Calcutta High Court. The matter was heard and interim order has been passed by the H'ble High Court of Calcutta to not to communicate the name of the petitioner on 10<sup>th</sup> of May 2022. The hearing was continued on 19<sup>th</sup> of May 2022 and the H'ble High Court of Calcutta passed the order that, "The interim order dated 10th May, 2022 shall continue till 15th July, 2022. Let the matter stand adjourned and be listed on 28th June, 2022".

The matter is sub-judice and hearing is pending for listing of final hearing and disposal. Interim order which has been passed is extended till further hearing and disposal.

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35.15: There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2022

35.16: Contribution to political parties during the year 2021-22 is Rs. NIL

35.17: Other Statutory Information

- No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2022 and 31 March 2021.
- The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2022 and 31 March 2021.
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

35.18: The Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date.

35.19: Derivatives: There are no derivative instruments in the Company for the year ended 31 March 2022 and 31 March 2021.

35.20: Compliance with number of Layers of companies: The Company has not violated with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

35.21: There were no instances of fraud reported during the year ended 31 March 2022 and 31 March 2021.

35.22: Code on Social Security, 2020: The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact after the Code becomes effective

35.23: Figures of previous year have been reworked/regrouped/reclassified wherever necessary.

**As Per our Report of Even Date**

**For For S M Pansuriya & Co.  
Chartered Accountants  
FRN: 126729W**

**Snehal Pansuriya  
Proprietor  
M.No. 121039**

**Date: 30-05-2022  
Place: Ahmedabad  
UDIN: 22121039AJXXEA3478**

**S.K.Verma  
Company Secretary**

**Komal Shah  
C.F.O.**

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

**Ram Prasad Agarwal  
Director  
(DIN NO: 00060359)**

**Pawankumar Agarwal  
Managing Director  
(DIN NO: 00060418)**

**Date: 30-05-2022  
Place: Ahmedabad**