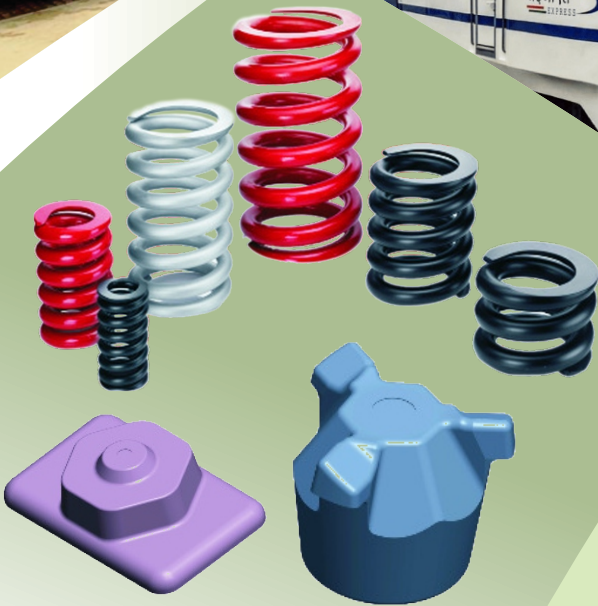
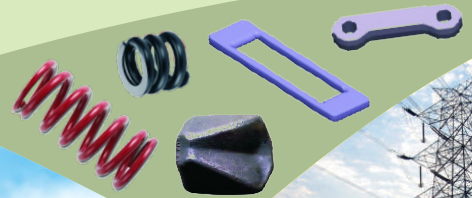





Frontier Springs Ltd.

(Largest Manufacturer of Springs for LHB Coaches)



39th
Annual Report
2018-19

Delivering excellence 
Contributing in the country's growth...

FRONTIER SPRINGS LIMITED

ANNUAL REPORT 2018-2019

BOARD OF DIRECTORS

Shri Kundan Lal Bhatia, *Chairman & Managing Director*

Shri Kapil Bhatia, *Managing Director*

Shri Neeraj Bhatia, *Whole Time Director*

Smt Mamta Bhatia, *Whole Time Director*

Smt Manju Bhatia, *Whole Time Director*

Shri Sarabjit Singh, *Independent Director*

Shri R. N. Trivedi, *Independent Director*

Shri Yashpal, *Independent Director*

Shri R. K. Bhatia, *Independent Director*

Shri Nimesh Mukerji, *Independent Director*

COMPANY SECRETARY & COMPLIANCE OFFICER

Shri Dhruv Bhasin

AUDITORS

M/s. Sanjeevani Raizada & Co.

Chartered Accountants

Off No. 229, 2nd Floor,

63/2, City Centre,

The Mall,

Kanpur - 208 004

BANKERS

State Bank of India

REGISTRAR AND SHARE TRANSFER AGENT

M/s. Alankit Assignment Limited

Alankit House,

1e/13, Jhandewalan Extension

New Delhi-110 020

REGISTERED OFFICE

Km 25/4, Kalpi Road,

Rania, Kanpur-Dehat 209 304 (U.P.)

CORPORATE OFFICE

E-14, Panki Industrial Area,

Site-1, Kanpur-208 022 (U.P.)

PLANTS

i) Km 25/4, Kalpi Road, Rania,
Kanpur Dehat - 209 304 (U.P.)
(Springs & Forging Unit)

ii) Rampur Ghat Road, Village Kunja,
Tehsil Poanta Sahib, Distt. Sirmour
H. P.
(Springs & Roofing Unit)

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THIRTY NINTH ANNUAL REPORT

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty Ninth Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2019

FINANCIAL RESULTS

The summarized financial results of the Company for the year ended 31st March, 2019 as compared to the preceding year are as under:

Particulars	2018-19	2017-18
Total Income	8383.66	6003.65
Profit before Finance Cost, Depreciation and Amortization Expense	1334.91	875.49
Less: Finance Cost	83.15	132.26
Less: Depreciation & Amortization Expense	221.58	193.79
Profit Before Tax	1030.18	549.44
Tax Expense	189.90	193.12
Profit After Tax	840.28	356.32
Add: Other Comprehensive Income	11.16	–
Total Comprehensive Income	851.44	356.32
Balance in Retained Earnings at the Beginning of the year	2154.80	1798.49
Profit After Tax available for appropriation	3006.24	2154.80
Dividend Paid	39.38	–
Dividend Distribution Tax	6.82	–
Transfer to General Reserve	–	–
Balance in Retained Earnings at the end of the year	3380.32	2575.08

REVIEW OF OPERATIONS

The financial statements for the year ended 31st March, 2019 forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

The operation of the company during the financial year under review improved with turnover of Rs. 8383.66 Lacs as against Rs 6003.65 Lacs in preceding year. The net profit during the year was higher at Rs. 840.28 Lacs as against Rs. 356.32 Lacs in the preceding year. The

improvement in the turnover and profitability had been mainly on account of growth in demand, improvement in the operational efficiencies and cost cutting measures.

The performance of the company during the current financial year has further improved and barring unforeseen circumstances, your Directors expect your company to turn out even better results during the current year as well.

DIVIDEND

Your Directors are pleased to recommend for approval of the members, a dividend of Re. 1/- per share (i.e @10%) on Equity Shares of Rs. 10/- each of the Company.

EXPANSION

Your company is continuously receiving orders for manufacturing of Springs/Forging for Linke–Hofmann Busch(LHB) coaches which were being imported till date by Indian Railways which is reflective in the turnover and profitability of the company. The Indian government has decided to increase the production of LHB Coaches from 3000 no.'s/ year to 6000 no.'s/year The orders in the pipeline are high in number; considering that all the springs of the existing coaches have to be replaced with new ones. The Company is also in touch with Multinational Air Springs manufacturer for collaboration/ Technical know–how for manufacturing of Air Springs for Indian Railways and by setting up the Air Springs unit, the turnover of the Company is expected to increase many fold in near future. We have also been approved by CLW/ DLW/DMW for manufacturing of WAP–7 and WAP–9 Locomotives and their production has also been increased from 400 Loco's to 1000 Loco's per year. The products developed by the Forging Unit namely Anti Roll Bar, Anti Roll Bar Bracket and Roll Link are used in the manufacturing of LHB Coaches, consequently the demand for these products has increased in the recent past and is expected to grow rapidly in the years to come.

SUBSIDIARY COMPANY / ASSOCIATE / JOINT VENTURE COMPANY

The Company has no Subsidiary, Associate and Joint Venture Companies and as such the requirement of furnishing the information relating to the financial position of Subsidiary, Associate and Joint Venture Companies is not applicable.

DIRECTORS

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company Smt. Manju Bhatia (DIN: 003480362) , Director of the Company retires from the Board by rotation, at the ensuing Annual General Meeting of the Company and being eligible she has offered herself for re–appointment.

In terms of requirement of Companies Act, 2013, Shri Yashpal and Shri R. K. Bhatia; the Independent Directors of the Company were appointed for a period of five years at the 34th Annual General Meeting held on 30th September, 2014 and their term of appointment as Independent Directors shall come to an end at the ensuing Annual General Meeting. In view of the same, the Board of Directors have on the basis of the recommendation of the Nomination and Remuneration Committee proposed to re-appoint Shri Yashpal and Shri R. K. Bhatia as the Independent Directors of the Company for a second term. Special resolutions proposing re-appointment of Independent Directors of the Company for a second term pursuant to Section 149(6) of the Companies Act, 2013 form part of Notice of Annual General Meeting.

All Independent Directors have given declaration that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

The Board had re-appointed Mrs. Mamta Bhatia as Whole-time Director of the Company for a further period of 5 years w.e.f. 14th May 2019.

Appropriate Resolutions(s) seeking your approval for appointment/re-appointment of the directors are placed in the Notice of ensuing Annual General Meeting.

KEY MANAGERIAL PERSONNEL

As per the provisions of Section 203 of the Companies Act, 2013 the following persons were designated as Key Managerial Personnel and there had been no change in KMP during the year under review

S.No	Name	Designation
1)	Shri Kapil Bhatia	Managing Director
2)	Shri Dhruv Bhasin	Company Secretary
3)	Shri Neeraj Bhatia	Chief Financial Officer

DECLARATION FROM INDEPENDENT DIRECTORS

The company had received the declarations u/s 149(7) of the Companies Act, 2013 from all Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(i)(b) of the Listing Regulations.

MEETINGS OF THE BOARD

Four meetings of the Board of Directors were held during the year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and the SEBI(Listing Obligations & Disclosure Requirements) 2015.

BOARD EVALUATION

The Board of Directors at its meeting held on 9th February, 2019 has carried out an annual evaluation of its

own performance, board committees and individual directors pursuant to provisions of the Act and Listing Regulations. Performance Evaluation of Independent Directors was done by the entire board, excluding the director being evaluated. The Evaluation Process was conducted through a structured questionnaire prepared after taking into consideration the various aspects laid down under the Nomination and Remuneration Policy of the Company. The Board of Directors expressed satisfaction with the evaluation process.

In a Separate meeting of Independent Directors held on 9th February, 2019, performance of non-independent directors, the Chairman of the Company and the Board as a whole was evaluated taking into account the views of Executive and Non Executive Directors.

CORPORATE SOCIAL RESPONSIBILITY

In terms of provisions of Section 135 of Companies Act, 2013; your Company has earned net profit of more than Five Crores for the year ended 31st March, 2019.

The Board of Directors in their meeting held on 14th August, 2019 has constituted CSR Committee consisting of the following members:

S.No	Name	Designation
1)	Shri Yashpal	Independent Director
2)	Shri Sarabjit Singh	Independent Director
3)	Shri Kapil Bhatia	Managing Director
4)	Shri Neeraj Bhatia	Chief Financial Officer
5)	Shri Dhruv Bhasin	Company Secretary

COMPANYS' POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The current policy is to have an appropriate mix of Executive and Independent directors to maintain the independence of the Board, and separate its functions of governance and management. The Company has duly constituted the Nomination and Remuneration Committee of the Board and the committee interalia periodically evaluates:

1. The need for change in composition and size of the Board;
2. Recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance.
3. Recommend the policy for remuneration of Directors, KMPs & other senior level employees of the Company and review the same in accordance with the performance of the Company and industry trend.

The Remuneration Policy is annexed herewith as '**Annexure F**' which forms part of this report.

THIRTY NINTH ANNUAL REPORT

AUDITORS AND AUDITORS REPORT

I. STATUTORY AUDITORS

M/s. Sanjeevani Raizada & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company at the 37th Annual General Meeting of the Company held on 28.09.2017 who shall hold office till conclusion of the 42nd Annual General Meeting in accordance with the provisions of Companies Act, 2013.

Their appointment was subject to ratification by the members at every Annual General Meeting to be held thereafter during their tenure of office. However, pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act 2017, the requirement of seeking ratification of the Members for the appointment of Statutory Auditors has been withdrawn. Therefore, the resolution for dispensing with the requirement for ratification of appointment of Statutory Auditors is being placed in the notice of the ensuing Annual General Meeting. The Auditors have confirmed that they are not disqualified from continuing as Statutory Auditors of The Company.

II. COST AUDITORS

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable to the Company.

III. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s P. Manghwani & Associates, Practicing Company Secretary as Secretarial Auditor of the Company for the year 2018–19. The Secretarial Audit Report for the year ended 31st March, 2019 is annexed herewith as 'Annexure-D' to this report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

IV. INTERNAL AUDITORS

Pursuant to provisions of Section 138 read with Rule 13 of Companies (Accounts) Rules 2014, your Company engaged the services of M/s J Chandra & Associates, Chartered Accountants, Kanpur, to conduct the Internal Audit of the functions and activities of the Company for the Financial Year 2018–19. The Internal Audit Report is placed before the Audit Committee of the Company, at regular intervals.

REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and Rules framed there under.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Pursuant to Regulation 34(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a Management Discussion & Analysis Report is annexed and forms part of this Annual Report.

CORPORATE GOVERNANCE

The new Companies Act, 2013 have strengthened the governance regime in the country. Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. The business conduct can be ethical only when it rests on the six core values of Customer Value, Ownership Mindset, Respect, Integrity, One Team and Excellence. In line with the requirements of these core values and new law, the Company through its Board and Committees endeavors to strike and deliver the highest governing standards for the benefits of its stakeholders.

As required under Schedule V to the Listing Regulations, a separate section on Corporate Governance together with certificate from M/s P. Manghwani & Associates, Practicing Company Secretaries, confirming compliance of the conditions of Corporate Governance, forms an integral part of this report and is annexed as 'Annexure A'.

STATUTORY INFORMATION

PARTICULARS OF EMPLOYEES

None of the employees of the Company was in receipt of remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo for the financial year 2018–19 is annexed as Annexure 'B' which forms part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013 the Board of Directors, to the best of their knowledge and ability in respect of the financial year ended on 31st March, 2019 confirm that:

- i) in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- ii) they 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;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the Annual Accounts of the Company on a going concern basis.
- v) they have laid down internal financial controls to be followed by the Company and that such internal

financial controls are adequate and were operating effectively; and

- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

FIXED DEPOSITS

During the year under review, the Company has neither accepted nor renewed any deposits from public in terms of provisions of Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules 2014.

However, in terms of Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014, the outstanding amount of unsecured loan from directors was Rs. 29,41,297 which was taken in the preceding years. The Company did not accept any unsecured loans from Directors during the year.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS BY THE COMPANY

Your Company has not given any loans and guarantees or provided security attracting provisions of Section 186 of the Companies Act, 2013.

Your Company has made the following investments.

Particulars	(Amount in Rs.)		
	Curent Value	Market Value	Change
ICICI Prudential Mutual Fund (8,58,628.780 UNITS @24.3859)	1,96,00,000.00	2,09,38,435.57	13,38,435.57
S.B.I. Dual Advantage Fund (2,00,000 UNITS @10.4186)	20,00,000.00	20,83,720.00	83,720.00
HDFC Corporate Bond Fund (3,10,948.378 UNITS @20.8105)	64,00,000.00	64,70,991.22	70,991.22
ICICI Prudential Liquid Fund (G) (3,824.737 Units @275.4187)	10,00,000.00	10,53,404.09	53,404.09
Total	2,90,00,000.00	3,05,46,550.88	15,46,550.88

EXTRACT OF ANNUAL RETURN

The extracts of the Annual Return in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management & Administration) Rules 2014 is included in this report as 'Annexure-C' and forms an integral part of this Report.

LISTING

The Equity Shares of Company continued to be listed

at BSE Limited and the Annual Listing has been paid up-to date.

INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The Company has in place internal financial control systems, commensurate with the size of the Company and the nature of its business, with reference to financial statements. The Audit Committee of the Board of Directors regularly reviews the adequacy and effectiveness of the

THIRTY NINTH ANNUAL REPORT

Internal Control Systems and suggests improvement to strengthen them.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings(SS-2) issued by The Institute of Company Secretaries of India.

AUDIT COMMITTEE, VIGIL MECHANISM & RISK MANAGEMENT

The composition of Audit Committee is in line with the provisions of Section 177 of the Act read with Regulation 18 of the SEBI(Listing Obligations and Disclosure Requirements) 2015. The Audit Committee comprises of five members and all members are Independent Directors .The Company Secretary is the Secretary of the Committee. All transactions with related parties are on arms' length basis. During the year, there are no instances where the Board had not accepted the recommendations of the Audit Committee. The Company has in place a vigil mechanism for Directors and Employees, to report genuine concerns about any wrongful conduct with respect to the Company or its business or affairs. This policy covers malpractices, misuse or abuse of authority, fraud, violation of the Company's policies or rules, manipulations, negligence causing danger to public health and safety and other matters or activity on account of which the interest of the company is affected or likely to be affected and formally reported by whistle blowers. If an investigation leads the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit.

RISK MANAGEMENT

Risk is a inherent factor in business cycle and cannot be avoided. However, proper planning and checks lead to risk mitigation. The Audit Committee has also been delegated the responsibility for monitoring and reviewing risk management, assessment and minimization procedures, developing, implementing and monitoring the risk management plan and identifying, reviewing and mitigating all elements of risks which the Company may be exposed to. The Board also reviews the risk management, assessment and minimization procedures. Further, in accordance with SEBI Regulations, a Risk Management Committee has also been formed which also oversees the risk management of the company.

INSIDER TRADING

In compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and to pre-

serve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a Code of Conduct to Regulate, Monitor and Report Trading by Insiders ('Insider Trading Code') and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Code of Fair Disclosure')

The Insider Trading Code is intended to prevent misuse of unpublished price sensitive information by insiders and connected persons and ensures that the Directors and specified persons of the Company and their dependants shall not derive any benefit or assist others to derive any benefit from access to and possession of price sensitive information about the company which is not in the public domain, that is to say, insider information.

The Code of Fair Disclosure ensures that the affairs of the Company are managed in a fair, transparent and ethical manner keeping in view the needs and interest of all the stakeholders.

POLICY ON SEXUAL HARRASMENT

Prevention and control of sexual harassment at workplace constitutes an important part of corporate culture while aligning with best practices and improving management processes. The company has zero tolerance for sexual harassment at workplace and has adapted a policy on prevention, prohibition and redressal of sexual harassment at workplace with a mechanism of lodging complaints and has constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,2013 and the rules framed there under. No complaints were reported to the Board for sexual harassment of women at workplace during the financial year 2018-19.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred from the end of the financial year 2018-19 till the date of this Report. Further, there was no change in the nature of business of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, there were no signifi-

cant and material orders passed by the Regulators, or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis.

The details of material contracts / arrangements / transactions at arm's length basis for the year ended 31st March, 2019 is annexed hereto and form part of this Report as '**Annexure E**'.

Your Directors draw attention of the Members to Note

No.33 to the Financial Statement which sets out all related party disclosures.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record appreciation for the co-operation and support extended by various departments of the Central and State Governments(s), Bankers and Business associates.

Your Directors also place on record their appreciation for the contribution made by employees at all the levels, Officers, Staff and Workmen. The consistent growth of your Company was made possible by their hard work, cooperation and support. Your Directors also take this opportunity to place on record their gratitude to the Members for their continued support and confidence with the company.

For and on behalf of the Board

KUNDAN LAL BHATIA
Chairman Cum Managing Director
DIN No. 00581799

KAPIL BHATIA
Managing Director
DIN No. 00582337

Place : Kanpur
Date : 14th August, 2019

THIRTY NINTH ANNUAL REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENTS

The Company is engaged in manufacture of Coil Springs, Leaf Springs, LHB Springs and forging items. During the year under review, the Company has responded to the challenges by enhancing Customer focus and expanded its business by procuring the profitable orders by building the efficient sales and prompt delivery. The Company is optimistic about the long term opportunities while at the same time meeting the short term challenges hence best internal preparedness is being made to aggressively grab the opportunities and to take maximum advantage of such opportunities.

OPPORTUNITIES & THREATS

During the year under review, the Company has procured many profitable orders from Indian Railways, BHEL BEML and other heavy industries and is expected to continue with the same. In the emerging competitive scenario, there is a compelling need to improve the global competitiveness of the various businesses to handle the competitive forces and to secure the customer base hence apart from others, Company is emphasizing on stringent quality control measure to accelerate continuous growth in supply orders of the Company's product.

PRODUCTWISE PERFORMANCE

The Company's position as the market leader is due to its persistent efforts and emphasis in the areas like product quality, introduction of new products through in-house development, competitive pricing and extremely competitive cost structure, continuous product improvement and dynamic approach to situation. In future, Company is firm, with its object of serving the end user of Company's product in an efficient and timely manner.

RISKS AND CONCERNS

In the coming decade, the main focus would be on enhancing efficiency and productivity, and on innovation driven by changing customer demands. Price sensitivity of the Indian consumer, cost optimization needs of manufacturers and increasing focus on environmental concerns will drive critical changes in market.

Currently, the Company perceives the following main business risks:

- a) Exposed to volatility in raw material prices;
- b) Pressure on selling price due to increase in competition.

Company is trying to work out long term contracts with suppliers with a view to ensure uninterrupted supply of input feed mix. The assets, buildings, plant & machinery and stock of the Company are adequately insured.

OUTLOOK

In the back of significant market, opportunities described earlier, the outlook for the coming year is extremely promising. Your Directors are of view that if conscious strategy to reduce production cost and development of new products is being followed, coupled with the supportive markets, financial performance of the Company shall stage a turnaround.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company is committed to maintain internal control systems and procedures designed to provide reasonable assurance for orderly and efficient conduct of business and security of its assets. Actual performance is constantly monitored by the management. The Company has a well-defined Organization Structure and authority level. The internal control system is supplemented by an extensive review by the management and documented policies, guidelines and procedures.

HUMAN RESOURCE

The Company believes that its employees are a vital resource in the current business environment. To ensure that this resource plays important role in the performance of the Company, the Company is pursuing the following:

- It is engaged in providing continuous training and all round exposure to its people.
- It is inviting suggestions from all the employees on regular basis and is also engaged in obtaining feed back in a meaningful way from time to time.
- It is ensuring proper empowerment of employees to foster a sense of ownership among them.

In brief, it is providing an opportunity to all employees to utilize their full potential and grow in the Organization.

REPORT ON CORPORATE GOVERNANCE
1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate governance guidelines and best practices have evolved over a period of time. We, at Frontier Springs Limited, believe that as we move towards achieving our growth targets, our Corporate Governance processes must adhere to the globally benchmarked standards and sound corporate governance is critical in enhancing and retaining investor trust. Accordingly, we always seek to ensure that we attain our performance goals with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term. We always ensure timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company. Our Corporate Governance practices are driven by timely disclosures; transparent accounting policies and high levels of integrity in decision-making. All our steps helps in protecting the long-term interests of all our stakeholders.

2. BOARD OF DIRECTORS:
A. Composition and category of Board of Directors ,Attendance at Board Meetings, at last Annual General Meeting and details of Membership of other Boards/Committees:

As on 31st March, 2019, the Board of Frontier Springs Limited consisted of three Whole Time Directors and five Non-Executive Directors all of whom are Independent Directors and two Woman Directors. The composition of the Board and other relevant details relating to Directors during the Financial Year 2018-19 are as under:

Name of Director(s)	Category	No. of Board Meeting Attended	Whether attended last AGM	No. of other Directorship	No. of other Committee Chairmanship	No. of other Committee Membership
Shri Kundan Lal Bhatia (DIN : 00581799)	Promoter-Executive	3	Yes	-	1	-
Shri Kapil Bhatia (DIN : 00582337)	Promoter-Executive	4	Yes	-	-	-
Shri Neeraj Bhatia (DIN : 00582395)	Promoter-Executive	3	No	-	-	-
Smt Mamta Bhatia (DIN : 03480368)	Promoter-Executive	4	Yes	-	-	-
Shri Manju Bhatia (DIN : 03480362)	Promoter-Executive	2	No	-	-	-
Shri R.N Trivedi (DIN : 03243439)	Non Executive & Independent	4	Yes	1	-	3
Shri Yashpal (DIN : 00929185)	Non Executive & Independent	4	Yes	1	2	3
Shri R. K. Bhatia (DIN : 00958948)	Non Executive & Independent	3	No	-	-	3
Shri Sarabjit Singh (DIN : 07705856)	Non Executive & Independent	4	Yes	-	1	3
Shri Nimesh Mukerji (DIN : 07705885)	Non Executive & Independent	4	No	-	-	3

Mr K.L Bhatia is paternal uncle of Mr. Kapil Bhatia & Mr. Neeraj Bhatia. Mrs. Mamta Bhatia is wife of Mr. Kapil Bhatia; Mrs. Manju Bhatia is wife of Mr. Neeraj Bhatia.

The number of Directorships, Committee Membership(s)/Chairmanship (s) of all directors is within respective limits prescribed under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015(hereinafter referred to as 'Listing Regulations').

THIRTY NINETH ANNUAL REPORT

Re-appointments:

Mrs. Manju Bhatia is the Director retiring by rotation at ensuing Annual General Meeting and is eligible for re-appointment.

In view of able leadership and valuable guidance received from her, your Directors recommend her re-appointment.

Profile of the Directors being re-appointed:

Mrs. Manju Bhatia aged about 49 years graduated from Hemwati Nandan Bahuguna University, was appointed as Whole Time Director of the Company w.e.f. 14/11/2013. She has a optimistic vision which has really brought about a marked change in the overall management and financial controls of the company. She has also contributed in improving the marketing strategies Mrs. Manju Bhatia holds 20380 equity shares of the Company.

Other Companies Directorship: She does not hold directorship in any other company.

Mr. Kundan Lal Bhatia, Mr. Kapil Bhatia, Mr. Neeraj Bhatia Mrs. Mamta Bhatia and Mrs. Manju Bhatia are relatives. Save and except the above, none of the other Directors relate, in any way, financially or otherwise.

B. Details of Board Meetings held during the year 2018-19:

During the year 2018-19, Four Board Meetings were held. The details of meeting are as under:-

S. No.	Date of Board Meeting	Board Strength	No. of Members Present
1.	28 th May, 2018	10	9
2.	14 th August, 2018	10	10
3.	14 th November, 2018	10	9
4.	9 th February, 2019	10	7

Information placed before the Board:

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II to Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant.

The list of core skills/expertise competencies identified by the Board of Directors as required in context of Company's business operations for it to function effectively and those actually available with the Board are as follows:

- 1) Knowledge of Finance and related aspects
- 2) Marketing Channels
- 3) Industry Specific Knowledge and Experience
- 4) Risk Mitigation
- 5) Attributes such as Integrity, Accountability.

C. Terms and conditions of appointment of Independent Directors

The terms and conditions of appointment of Independent Directors have been mentioned in the appointment letters.

C. Familiarisation programmes for Board members

The Board Members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings on business and performance updates of the Company, business strategy and risks involved. Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors.

In compliance of the Regulation 25(7) of the Listing Regulations, the Company has adopted the familiarization programme for independent directors with an aim to provide to the independent directors insight in their roles, rights, responsibilities in the company, nature of industry in which the company operates, business model of the company etc.

D. Separate Meeting of the Independent Directors

During the year ended 31st March, 2019 one Independent Directors Meeting was held on 09.02.2019. At the meeting, the Independent Directors inter alia :

- 1) Evaluate performance of Non-Independent Directors and the Board as a Whole;
- 2) Evaluate the performance of the Chairman of the Company ,taking into account the views of Executive and Non-Executive Directors;
- 3) Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Mr. Yashpal, Mr. R.N Trivedi, Mr Sarabjit Singh, Mr Nimesh Mukerji and Mr. R.K. Bhatia were present at the meeting .

E. Confirmation By the Board

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and are independent of the management.

F. Code of Conduct

In compliance with Regulation 17(5) of the Listing Regulations, the Company's Board has laid down a code of conduct for all Board Members and Senior Management Personnel of the Company. All of them have affirmed compliance with the Code of Conduct. A declaration to this effect, signed by Shri. Kundan Lal Bhatia, Chairmam Cum Managing Director of the Company is enclosed at the end of this report.

3. COMMITTEES OF THE BOARD

As on 31st March, 2019, the Company has three Board Level Committees

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholder's Relationship Committee.

A. AUDIT COMMITTEE:

The Company has an Audit Committee constituted in accordance with the Corporate Governance Requirements. As on 31st March, 2019 the Audit Committee consisted of Directors namely Mr. Sarabjit Singh, Chartered Accountant as Chairman and Mr. Yashpal, Mr. Nimesh Mukerji , Mr. R.N Trivedi and Mr. R.K. Bhatia as members. The Committee's constitution and terms of reference are in compliance with provisions of Section 177 the Companies Act, 2013 read with Regulation 18(3) read with Part C of Schedule II to the Listing Regulations. During the financial year ended 31st March, 2019 four Audit Committee meetings were held on 28th May, 2018; 14th August, 2018; 14th November, 2018 and 9th February 2019. The details of the meetings are as under:-

Details of the Attendance at the Meetings are as follows:

S. No.	Name of the Director	Category	No. of Committee Meeting during the tenure	
			Held	Attended
1.	Mr. Sarabjit Singh, Chairman	Non Executive/Independent	4	4
2.	Mr. Yashpal	Non Executive/Independent	4	4
3.	Mr. R.N Trivedi	Non Executive/Independent	4	4
4.	Mr. R.K Bhatia	Non Executive/Independent	4	3
5.	Mr Nimesh Mukerji	Non Executive/Independent	4	4

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Mr. Sarabjit Singh, Chairman of the Audit Committee was present at the last Annual General Meeting held on 26th September, 2018.

The terms of reference of the Audit Committee include review of Quarterly, Half-Yearly and Annual financial statements before submission to the Board for its approval, to review adequacy of internal control system, to apprise the Board on the impact of accounting policies, accounting standards and legislation, to hold periodical discussions with Statutory and Internal Auditors on the scope and content of the audit and to review the Company's financial and risk management policies. The members of the Committee are well versed in matters relating to finance, accounts, company law, other economic legislation and general management practices.

B. NOMINATION AND REMUNERATION COMMITTEE

Composition

The Board has duly constituted the Nomination and Remuneration Committee consisting of five Non-Executive Directors. The constitution of the committee is Mr. Yashpal as Chairman, Mr. Sarabjit Singh, Mr. R.N Trivedi, Mr. R.K Bhatia and Mr. Nimesh Mukerji as members.

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee are in conformity with the requirements specified in Regulation 19(4) read with Part D of Schedule II to the Listing Regulations and also comply with the requirements of Section 178 of the Companies Act, 2013.

Brief description of terms of reference

The Committee, inter alia, looks into the matters, in accordance with the remuneration policy of the Company, to identify persons who are qualified to become Directors and who may be appointed in senior management and to recommend to the Board their appointment and/ or removal, to carry out evaluation of every Director's performance, to formulate the criteria for determining qualifications, positive attributes and independence of a Director, and matters relating to the remuneration for the Directors and Key Managerial Personnel.

The Company does not pay any remuneration to its non executive Directors, except sitting fee for attending the Board Meetings @ 15,000/- besides reimbursement of expenses of traveling etc. The Company has no pecuniary relationship or transaction with its non-executive Directors other than payment of sitting fees to them for attending Board and Committee Meetings.

Meetings

During the year ended one meeting was held on 14th August, 2018 the details of which are as under:

S. No.	Name of the Director	Category	No. of Committee Meeting during the tenure	
			Held	Attended
1.	Mr. Yashpal, Chairman	Non Executive/Independent	1	1
2.	Mr. Sarabjit Singh	Non Executive/Independent	1	1
3.	Mr. R. N. Trivedi	Non Executive/Independent	1	1
4.	Mr. R. K. Bhatia	Non Executive/Independent	1	1
5.	Mr. Nimesh Mukerji	Non Executive/Independent	1	1

C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Composition

Stakeholders Relationship Committee was duly constituted under the Chairmanship of Mr. Yashpal and Mr. R.N Trivedi, Mr. Sarabjit Singh and Mr. R.K Bhatia as members.

Meetings

The Committee's constitution and terms of reference are in compliance with Section 178 of the Companies Act, 2013 read with Regulation 20 of Listing Regulations Guidelines as amended from time to time. During the year 2018-19, four Committee Meetings were held on 28th May, 2018, 14th August 2018, 14th November 2018 and 9th February 2019. Details of the meetings are as under:

S. No.	Name of the Director	Category	No. of Committee Meeting during the tenure	
			Held	Attended
1.	Mr. Yashpal, Chairman	Non Executive/Independent	4	4
2.	Mr. Sarabjit Singh	Non Executive/Independent	4	4
3.	Mr. R. N Trivedi	Non Executive/Independent	4	4
4.	Mr. R. K. Bhatia	Non Executive/Independent	4	3
5.	Mr Nimesh Mukerji	Non Executive/Independent	4	4

The Committee sees the matter relating to transfer of shares, demat of shares, issue of duplicate share certificates, redressal of shareholders' / investors' grievances and complaints regarding non-receipt of dividends, Annual Reports, etc.

During the year 2018-19, all the complaints received by the company and / or registrar of the company were resolved to the satisfaction of complainants and there was no pending complaint.

4. GENERAL BODY MEETINGS

The Annual General Meeting of the Company during last three years were held as per details given below :

2017-18	
Date and Time :	26 th September, 2018 at 12:30 P.M
Venue :	Km 25/4, Kalpi Road, Rania, Kanpur Dehat-209304
Special Resolution :	<ol style="list-style-type: none"> 1. Approval of Remuneration of Shri K.L Bhatia, Chairman Cum Managing Director 2. Approval of Remuneration of Mr. Kapil Bhatia, Managing Director. 3. Approval of Remuneration of Mr. Neeraj Bhatia, Whole Time Director. 4. Approval of Remuneration of Smt. Mamta Bhatia, Whole Time Director. 5. Approval of Re-appointment of Smt. Manju Bhatia, Whole Time Director. 6. Adopt new set of Articles of Association. 7. Approval of contracts /arrangements with related parties.
2016-17	
Date and Time :	28 th September, 2017 at 12:30 P.M
Venue :	Km 25/4, Kalpi Road, Rania, Kanpur Dehat-209304
Special Resolution :	<ol style="list-style-type: none"> 1. Revision of Remuneration of Mr. Kapil Bhatia, Managing Director. 2. Revision of Remuneration of Mr. Neeraj Bhatia, Whole Time Director. 3. Revision of Remuneration of Smt. Mamta Bhatia, Whole Time Director. 4. Revision of Remuneration of Smt. Manju Bhatia, Whole Time Director. 5. Adopt new set of Articles of Association.
2015-16	
Date and Time :	30 th September, 2016 at 12:30 P.M
Venue :	Km 25/4, Kalpi Road, Rania, Kanpur Dehat-209304
Special Resolution :	Approval of contracts/arrangements with related parties.

5. MEANS OF COMMUNICATION

The quarterly, half yearly and annual results of the Company are sent to the Stock Exchange, where the Company's shares are listed, immediately after they are approved by the Board. These are also published in local Hindi newspaper and in a National English Daily in terms of the requirements of Regulation 33(3) and 47(1)(b) of the Listing Regulations. The Annual Report and other information are also available on the website of the Company i.e. www.frontiersprings.co.in. The Annual Report is being sent through email to members whose email ids are registered with Company and physically to rest all the shareholders.

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9. GENERAL SHAREHOLDER'S INFORMATION

- (i) **Annual General Meeting** : Date : 30th September, 2019
Time : 12:30 P.M
Venue : Km 25/4, Kalpi Road,
Rania, Kanpur Dehat 209 304.

- (ii) **Calender for Financial Year Ended March 2019** :

Particulars of Quarter	On or before
First Quarter Results	14.08.2019
Second Quarter Results	14.11.2019
Third Quarter Results	14.02.2019
Fourth Quarter & Annual Results	30.05.2020

- (iii) **Date of Book Closure** : 24th September, 2019 to 30th September, 2019
(Both days inclusive).

- (iv) **Dividend payment date, if declared** : N/A

- (v) **Listing on Stock Exchanges** : Bombay Stock Exchange, Mumbai
(The Company is up-to-date on the payment of Annual Listing fees)

- (vi) **Stock Code** : 522195

- (vii) **Stock Market Price Data at Bombay Stock Exchange (BSE) for the year 2018-19 :**

Month	High (₹)	Low (₹)	Close	No.of shares traded
April 2018	176.00	157.10	173.55	1,00,398
May 2018	186.95	150.00	151.00	74,456
June 2018	162.00	121.20	124.65	89,209
July 2018	139.45	120.00	134.10	25,492
August 2018	195.00	128.75	175.95	1,47,094
September 2018	198.80	156.05	165.65	79,340
October 2018	178.90	151.00	163.10	30,971
November 2018	186.00	154.00	162.05	32,831
December 2018	182.95	135.50	172.85	50887
January 2019	179.00	142.10	155.00	49621
February 2019	188.00	141.70	172.85	70201
March 2019	259.00	165.00	244.55	336302

- (viii) **Registrar and Share Transfer Agent (RTA) :** Alankit Assignments Ltd.
Alankit Heights
1E/13, Jhandewalan Extension, New Delhi-110055
Telephone No. : 011-42541958
Email : lalitp@alankit.com

- (ix) **Share Transfer System:**

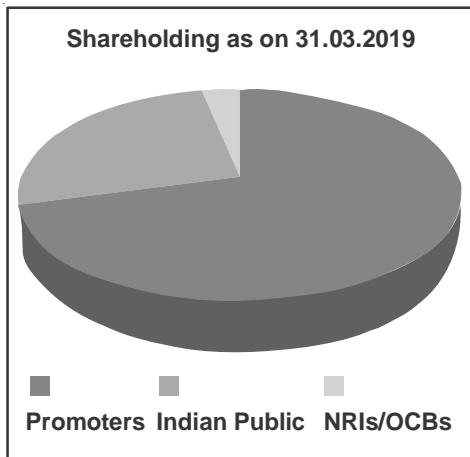
The shares received for transfer in physical form are processed by RTA and the Share Certificates are returned after authorisation by the Company, within a period of fifteen days from the date of receipt, subject

to the documents being valid & complete in all respects. Any transferee who wishes to get the shares dematerialized may approach any of the Depository Participants (DP) along with a duly filled Demat Request Form.

(x) Distribution of Shareholding as on 31st March, 2019

Shares holding Number of Shares		No. of Shareholders					Shareholding				
Rs.	Rs.	Physical Number	NSDL Number	CSDL Number	Total Number	%	Physical (in Rs.)	NSDL (in Rs.)	CDSL (in Rs.)	Total (in Rs.)	%
1 to	100	1607	924	672	3203	60.411	156363	61430	35074	252867	6.42
101 to	500	718	536	378	1632	30.781	190195	146565	102093	438853	11.143
501 to	1000	57	99	84	240	4.527	50330	79061	62617	192008	4.875
1001 to	5000	25	93	62	180	3.395	46540	182909	125350	354799	9.008
5001 to	10000	1	11	6	18	0.339	8100	71849	42531	122480	3.11
10001 to	20000	0	3	4	7	0.132	0	41338	55568	96906	2.46
20001 to	30000	1	5	4	10	0.189	25000	116489	108661	250150	6.351
30001 to	40000	0	1	2	3	0.057	0	38038	73068	111106	2.821
40001 to	50000	0	1	1	2	0.038	0	41560	41075	82635	2.098
50001 to	100000	1	1	0	2	0.038	76600	90702	0	167302	4.248
100001 to	500000	0	3	0	3	0.057	0	708836	0	708836	17.998
500001 to	ABOVE	0	2	0	2	0.038	0	1160569	0	1160569	29.467
T O T A L		2410	1679	1213	5302	100	553128	2739346	646037	3938511	100

(xi) Shareholding Pattern as on 31st March, 2019 :



Category	No. of shares held	% of Share holding
Promoters	20,38,565	51.76
Mutual Funds and UTI	-	-
Financial Institutions, Banks and Insurance Companies	400	0.01
Private Body Corporate	2,88,813	7.33
FIs	-	-
Indian Public	15,31,117	38.88
NRIs/OCBs	79,616	2.02
TOTAL	39,38,511	100%

(xii) Dematerialization of shares:

The Company's shares are under demat mode as well. The ISIN of the Company is INE572D01014. As on 31st March 2019, 85.95% equity shares of the Company are in dematerialized mode.

(xiii) Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and impact on equity : Not Applicable

(xiv) Registered Office & Works:

- (i) Registered Office : Km 25/4 Kalpi Road
Rania
Kanpur Dehat – 209304

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(ii) Manufacturing Unit : Rampur Ghat Road
Village Kunja Tehsil Poanta Sahib
Distt. Sirmour
H.P-173025

(iii) Corporate Office : E-14, Panki Industrial Area,
Site-1, Kanpur - 208 002 (U.P.)

(xv) Address for Investor Correspondence

- With The Company : The Company Secretary
Frontier Springs Ltd.
E-14,Panki Industrial Area, Site-1,Kanpur-208022
Tele:0512-2691207
E-mail: c.s@frontiersprings.co.in
- With the Registrar & Share Transfer Agent : Alankit Assignments Ltd.
Alankit Heights
1E/13, Jhandewalan Extension, New Delhi-110055
Telephone No:011-42541958
Email : lalitap@alankit.com

(xvi) Corporate Identification Number : L17119UP1981PLC005212

(xvii) E-mail for investors

The company has designated c.s@frontiersprings.co.in as e-mail address especially for investor grievances.

(xviii) Nomination Facility

Shareholders holding shares in physical form and desirous of making nomination in respect of their Shareholding in the Company as permitted under Section 72 of the Companies Act, 2013 may submit their request to the Company's Registrar and Transfer Agent M/s Alankit Assignments Limited in the prescribed form SH-13 which will be sent by the company upon such request.

7. DISCLOSURES

a) Related Party Transactions

All transactions entered into with Related parties as defined under Companies Act, 2013 and Regulation 23 of Listing Regulations during the financial year were in the ordinary course of business and on arm's length basis and they are placed before the Audit Committee as also to the Board for approval. Omnibus approval from the Audit Committee was obtained on annual basis for transactions which are of repetitive nature. None of the transactions with any of the related parties were in conflict with the interests of the Company. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the Company's Related Party Transactions Policy.

b) Details of non-compliance by the Company, penalties, Strictures imposed on the Company by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authorities on matters relating to Capital Markets during the last three years

None

c) Adoption of Mandatory and Non Mandatory Requirements

The Company has complied with all mandatory requirements of Listing Regulations. However, the Company has not adopted the non-mandatory requirements.

d) Disclosures on compliance with Corporate Governance Requirements specified in Listing Regulations

The Company has complied with Corporate Governance Requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub Regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report.

8. CEO AND CFO CERTIFICATION

The Chairman and Managing Director and the Chief Financial Officer of the Company provide annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. They also provide quarterly certification on financial results before the Board in terms of Regulation 33(2)(a) of the Listing Regulations.

DECLARATION

Pursuant to Regulation 26(3) of Listing Regulations, I, Kundan Lal Bhatia, Chairman Cum Managing Director of Frontier Springs Limited, declare that all Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct for the financial year 2018-19.

Place : Kanpur
Date : 14th August, 2019

KUNDAN LAL BHATIA
(Chairman Cum Managing Director)
DIN No. 00581799

CERTIFICATE PURSUANT TO CLAUSE (i) OF POINT (10) OF PARA C OF SCHEDULE V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,

The Members,
Frontier Springs Limited.,
25/4 Kalpi Road Rania Kanpur
Dehat UP 209304 India.

We have examined the following documents:

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents'), as submitted by the Directors of Frontier Springs Limited ('the Company') bearing CIN: L17119UP1981PLC005212 and having its Registered Office at 25/4 Kalpi Road Rania Kanpur Dehat UP-209304 India.

To the Board of Directors of the Company ('the Board') for the financial year 2019-2020, we have considered non-disqualification to include non-debarment.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Based on our examination of relevant documents made available to us by the Company and such other verifications carried out by us as deemed necessary and adequate, in our opinion and to the best of our information and knowledge and according to the explanations Provided by the Company, its officers and authorized representatives, we certify that as on date of this Certificate, none of the Directors on the Board of the Company, as listed hereunder, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

No.	Name of Person	Designation	DIN
1.	Kundan Lal Bhatia	Managing Director	00581799
2.	Kapil Bhatia	Managing Director	00582337
3.	Neeraj Bhatia	Wholetime Director	00582395
4.	Yash Pal	Independent Director	00929185
5.	Ramesh Kumar Bhatia	Independent Director	00958948
6.	Ramesh Narayan Trivedi	Independent Director	03243439

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7.	Manju Bhatia	Wholetime Director	03480362
8.	Mamta Bhatia	Wholetime Director	03480368
9.	Sarabjit Singh	Independent Director	07705856
10.	NimeshMukerji	Independent Director	07705885

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the financial year ended 31st March, 2019.

For P Manghwani & Associates

Priyanka Manghwani

Proprietor

M.No.- 9912

C.O.P.- 12498

Certificate on Corporate Governance

To

The Members of

Frontier Springs Limited

R/o 25/4 Kalpi Road Rania, Kanpur Dehat

UP 209304 IN

1. This certificate is issued in accordance with the terms of our engagement confirmation with Frontier Springs Limited ('the Company') dated 28th March 2019.
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended 31st March 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Company Secretaries of India.

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31st March 2019.

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

Restrictions on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For P Manghwani & Associates

Priyanka Manghwani

Proprietor

M.No.- 9912

C.O.P.- 12498

PARTICULARS REQUIRED UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH Rule 8 (3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

A. Conservation of Energy

(i) The Steps taken or impact on conservation of energy

Energy conservation continues to receive priority at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques.

The Automatic Power Factor Controller (APFC) & Automatic Voltage Stabilisers installed in the company continue to work well and conserve energy.

All tube lights and filament bulbs in the company were replaced by energy conserving CFLs.

All motors and machines are regularly serviced and lubricated to reduce operating load.

(ii) The Steps taken by the Company for utilizing alternate source of energy.

The company has installed solar plant for 100 KVA considering Go Green Initiative which would promote eco-friendly measures and in turn save some money for the Company .

(iii) The capital investment on energy conservation equipments.

No new capital investment on energy conservation equipments was made during the year, the existing Automatic Power factor Controller and the Automatic Voltage Stabiliser were kept maintained and in satisfactory working conditions.

B. Conservation of Energy

(i) The efforts made towards technology absorption

Updation & upgrading of Technology is a Continuous process. Efforts are continuously made in-house to upgrade the existing machines and technology to produce innovative products. The successfully developed innovations are then implemented at the shop floor level, and the operators are trained on the new techniques so that the technology is absorbed.

New & innovative raw materials are sourced and procured and put to use to make highly specialized products.

(ii) The benefits derived like product improvement cost reduction, product development or import substitution.

In addition to producing new, innovative & state of the art products, the technologies development in-house help in reducing wastes and increased efficiencies on the existing plant & machinery.

Due to the updation of technology and absorption, the company has been successful in retaining customer's confidence.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

- (a) The details of technology imported.
- (b) The year of import
- (c) Whether the technology has been fully absorbed.
- (d) If not fully absorbed, areas where absorption has not taken place.

And the reasons thereon

Not Applicable : No technology was imported in the last three years.

(iv) The Expenditure incurred in Research and Development.

Research & Development in the company is a continuous process and runs in parallel to the normal activities by way of new improvements & modifications on plant & machinery and development of new & innovative products, and has not been quantified separately and are grouped under their respective heads.

C. Foreign Exchange Earnings and Outgo

(In INR)

Foreign Exchange earned in terms of actual inflows.	NIL
Foreign Exchange outgo in terms of actual outflows.	NIL

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ANNEXURE 'C' TO THE DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

(As on the financial year ended on 31st March, 2019)

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

I. REGISTRATION AND OTHER DETAILS:

S.No.	Particulars	Facts
(i)	CIN	L17119UP1981PLC005212
(ii)	Registration Date	24th February, 1981
(iii)	Name of the Company	Frontier Springs Limited
(iv)	Category / Sub-Category of the Company	Public Company, Limited by Shares, Indian, Non Government Company
(v)	Address of the Registered office and contact details	Km 25/4, Kalpi Road, Rania Kanpur Dehat- 209 304 Tel: 05111-240212-13 Fax No: 05111 - 240214 Email: c.s@frontiersprings.co.in Website: www.frontiersprings.co.in
(vi)	Whether Listed Company	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Alankit Assignments Limited, 1E/13 Alankit Heights Jhandewalan Extension New Delhi- 110055, Tel : +91 42541100/42541958 Email: lalitap@alankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl.No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Manufacture of Tubes, Pipes and Hollow Profiles and of Tube and Pipe fittings of Cast-Iron/Cast Steel	2431	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No	Name and address of the Company	CIN/GLN Associate	Holding/ Subsidiary/ held	% of shares	Applicable Section
	NIL	NIL	NIL	NIL	NIL

IV. SHARE HOLDING PATTERN (Equity Share Capital breakup as percentage of Total Equity)
i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	1992863	NIL	1992863	50.6	2038565	NIL	2038565	51.76	1.16
(b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (A) (1)	1992863	NIL	1992863	50.6	2038565	NIL	2038565	51.76	1.16
(2) Foreign									
(a) NRIs									
Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Other									
Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoter (A)= (A) (1)+(A) (2)	1992863	NIL	1992863	50.6	2038565	NIL	2038565	51.76	1.16
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Banks/FI	400	Nil	400	.01	400	Nil	400	.01	Nil
(c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Venture Capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(i) Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (B)(1)	400	Nil	400	.01	400	Nil	400	.01	Nil
(2) Non- Institutions									
(a) Bodies Corp									
i. Indian	276923	84100	361023	9.17	205613	83200	288813	7.33	-1.84
ii. Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) individuals									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	748532	537385	1285917	32.65	746007	439928	1185935	30.11	-2.54

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ii. Individual shareholders holding nominal share capital in excess of 1 lakh	510723	25000	535723	13.60	255091	25000	280091	7.11	-6.49
(c) Others (Specify)	6710	5100	11810	.30	140107	4600	144707	3.67	3.37
Others (Specify)									
Sub-Total (B)(2)	1542888	651985	2194873	55.72	1346818	552728	1899546	48.23	-7.49
Total Public Shareholding (B)=(B)(1)+ (B) (2)	1536578	646485	2183063	55.73	1347218	552728	1899546	48.24	-7.49
C. Shares held by custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	3286526	651985	3938511	100	3385783	552728	3938511	100	-

(ii) Shareholding of Promoters:

S. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			Change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Shri Kundal Lal Bhatia	326040	8.28%	0.00%	326040	8.28%	0.00%	0.00%
2.	Kundal Lal Bhatia HUF	41075	1.04%	0.00%	41075	1.04%	0.00%	0.00%
3.	Shri Puran Chand Bhatia	975832	24.78%	0.00%	-	-	0.00%	-
4.	Smt. Kamla Bhatia	59127	1.50%	0.00%	255609	6.49%	0.00%	4.99%
5.	Shri Neeraj Bhatia	124365	3.16%	0.00%	552430	14.03%	0.00%	10.87%
6.	Smt. Shyama Bhatia	90702	2.30%	0.00%	90702	2.30%	0.00%	0.00%
7.	Shri Chandan Bhatia	84597	2.15%	0.00%	22957	0.57%	0.00%	1.58%
8.	Shri Mannu Bhatia	31280	0.79%	0.00%	6500	0.17%	0.00%	0.62%
9.	Shri Kapil Bhatia	180074	4.57%	0.00%	608139	15.44%	0.00%	10.87%
10.	Smt. Manju Bhatia	20380	0.52%	0.00%	20380	0.52%	0.00%	0.00%
11.	Smt Priya Bhatia	16040	0.41%	0.00%	16040	0.41%	0.00%	0.00%
12.	Smt Preeti Bhatia	14340	0.36%	0.00%	14340	0.36%	0.00%	0.00%
13.	P C Bhatia HUF	36675	0.93%	0.00%	36675	0.93%	0.93%	0.00%
14.	Smt. Mamta Bhatia	38038	0.97%	0.00%	38038	0.97%	0.00%	0.00%
15.	Smt. Bindu Bhatia	-	-	-	10000	0.25%	0.00%	0.00%
	TOTAL	2038565	51.76%	0.00%	2038565	51.76%	0.00%	0.00%

- 1) Shri Puran Chand Bhatia expired on 01.10.2017. Out of his holding of 9,75,832 Equity shares ;109702 equity shares were transmitted to Smt. Kamla Bhatia and balance of 866130 Equity shares were divided equally between his sons Kapil Bhatia & Neeraj Bhatia.Each inherited 428065 Equity Shares each.10,000 Equity shares were inherited by her daughter as per Court's Succession Order.
- 2) During the year under review, Smt Kamla Bhatia inherited 109702 Equity Shares.In addition 24,780 and 62000 Equity Shares were transferred by Manu and Chandan Bhatia respectively pursuant to Inter-se Transfer amongst Promoter Group.

(iii) Change in Promoters' Shareholding (please specify, if there is no change) :

S. No.	Shareholders Name	Shareholding at the beginning of the year			Cumulative Shareholding during the year			% of Change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to Total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to Total Shares	
1	Shri Kamla Bhatia	59127	1.50%	0.00%	2,55,609	6.49%	0.00%	4.99%
2.	Shri Puran Chand Bhatia	975832	24.78%	0.00%	—	—	0.00%	2.79%
3.	Shri Mannu Bhatia	31280	0.79%	0.00%	6500	0.17%	0.00%	0.62%
4.	Shri Kapil Bhatia	180074	4.57%	0.00%	608139	15.44%	0.00%	10.87%
5	Shri Chandan Bhatia	84597	2.15%	0.00%	22597	0.57%	0.00%	1.58%
6.	Shri Neeraj Bhatia	124365	3.16%	0.00%	5,52,430	14.03%	0.00%	10.87%

(iv) Shareholding Pattern of Top Ten Shareholder's (Other than Directors, Promoters and holders of GDRs & ADRs as on 31st March, 2019)

S.No	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year	Shareholding at the end of the year	
		No. of shares	% of total shares of the Company					No. of shares	% of total shares of the Company
1.	Ashari Properties & Finance Ltd.	76600	1.94	06.04.2018	—	—	76600	76600	1.94
2.	Sangeetha. S	41560	1.06	06.04.2018	—	—	41560	41560	1.06
3.	AGR Investments Ltd.	24500	0.62	06.04.2018	—	—	24500	24500	1.06
4.	Dheeraj Kumar Lohia	82482	2.09	06.04.2018	—	—	82482		
				24.08.2018	17766	Sale	64716		
				31.08.2018	ca500	Sale	64216		
				28.09.2018	319	Sale	63897		
				21.12.2018	500	Sale	63397		
				28.12.2018	1000	Sale	62397		
				31.12.2018	1614	Sale	60783		
				01.02.2019	2716	Sale	58067		
				15.02.2019	2500	Sale	55567		
				22.02.2019	1000	Sale	54567		
				01.03.2019	1500	Sale	53067		
				15.03.2019	4522	Sale	48545		
22.03.2019	7676	Sale	40869						
29.03.2019	4476	Sale	36393	36393	0.92				
5.	Atul Dinakarey Raval	28061	0.71	06.04.2018	—	—	28061	28061	0.71
6.	Vishpa Rail Equipments Pvt. Ltd	127187	3.23	06.04.2018	—	—	127187	127187	3.23
7.	Sandeep Tandon	25000	0.63	06.04.2018	—	—	25000	25000	0.63
8.	Kalpana Prakash Pandey	28912	0.73	06.04.2018	—	—	28912	28912	0.73
9.	Jatin Keshav Ji Chande	55000	1.4	—	—	—	55000	55000	1.4
10.	Nooli Nagaraju	25600	0.65	—	—	—	25600	25600	0.65

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(v) Shareholding of Directors and Key Managerial Personnel as on 31st March, 2019 :

S. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Mr. K. L. Bhatia				
	At the beginning of the Year	326040	8.28 %	326040	8.28 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.16 %
	At the end of the Year	326040	8.28 %	326040	8.28 %
2.	Mr. Kapil Bhatia (Managing Director)				
	At the beginning of the Year	180074	4.57 %	180074	4.57 %
	Bought during the Year	0	0.00 %	428065	10.87 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	608139	15.44 %	608139	15.44 %
3.	Mr. Neeraj Bhatia (CFO)				
	At the beginning of the Year	124365	3.16 %	124365	3.16 %
	Bought during the Year	0	0.00 %	428065	10.87 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	552430	14.03 %	552430	14.03 %
4.	Mrs. Mamta Bhatia				
	At the beginning of the Year	38038	0.97 %	38038	0.97 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	38038	0.97 %	38038	0.97 %
5.	Mrs. Manju Bhatia				
	At the beginning of the Year	20380	0.52 %	20380	0.52 %
	Bought during the Year	0	0.00%	0	0.00%
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	20380	0.52 %	20380	0.52 %
6.	Mr. Nimesh Mukherji				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %
7.	Mr. Yashpal				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %
8.	Mr. R. N. Trivedi				
	At the beginning of the Year	0	0.00%	0	0.00%
	Bought during the Year	0	0.00%	0	0.00%
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00%	0	0.00%

S. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Comulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
9.	Mr. R. K. Bhatia				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %
10.	Mr. Dhruv Bhasin (Company Secretary)				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %
11.	Mr. Sarabjit Singh				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %

V. INDEBTEDNESS

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

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	914.96	178.44	130.04	1223.80
ii) Interest due but not paid	0.97	4.87	3.29	9.13
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	915.93	183.31	133.69	1232.93
Change in Indebtedness during the financial year				
* Addition	136.00	—	—	136.00
* Reduction	(197.50)	(154.76)	(133.69)	(485.95)
Net Change	(61.50)	(154.76)	(133.69)	(349.95)
Indebtedness at the end of the financial year				
i) Principal Amount	854.43	28.55	—	882.98
ii) Interest due but not paid	2.97	0.86	—	3.83
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	857.40	29.41	133.69	886.81

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount	
		Name	Kundan Lal Bhatia	Kapil Bhatia	Neeraj Bhatia	Mamta Bhatia		Manju Bhatia
		Designation	CMD	MD	CFO	Director		Director
1.	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18.00	42.00	42.00	28.00	28.00	158.00	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	0.91	0.90	–	–	1.81	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	12.50	47.25	46.70	15.30	15.30	137.05	
2.	Stock Option	–	–	–	–	–	–	
3.	Sweat Equity	–	–	–	–	–	–	
4.	Commission	–	–	–	–	–	–	
	– as % of profit	–	–	–	–	–	–	
	– others, specify	–	–	–	–	–	–	
5.	Others, please specify	–	–	–	–	–	–	
	Total (A) Ceiling as per the Act	30.50	90.16	89.60	43.30	43.30	296.86	

B. Remuneration to other Directors:

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		R. N. Trivedi	Sarabjit Sigh	R.K. Bhatia	Nimesh Mukerji	Yashpal	
1.	Independent Director						
	Fee for attending Board Committee Meetings	0.60	0.45	0.45	0.60	0.60	2.85
	Commission						
	Others, please specify						
	Total (1)	0.60	0.45	0.45	0.60	0.60	2.85
2.	Other Non-Executive Directors						
	Fee for attending board committee meetings						
	Commission						
	Others, please specify						
	Total (2)	–	–	–	–	–	–
	Total (B)=(1+2)	0.60	0.45	0.45	0.60	0.60	2.85
	Total Managerial Remuneration						299.71
	Overall Ceiling as per the Act	As mentioned under Companies Act, 2013					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (Rs./Lacs)	
		Name	Neeraj Bhatia		Dhruv Bhasin
		Designation	CFO		Company Secretary
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	42.00	8.94	50.94	
2.	Stock Option	-	-	-	
3.	Sweat Equity	-	-	-	
4.	Commission - as % of profit - others, specify	-	-	-	
5.	Others, please specify	-	-	-	
	Total	89.60	8.94	98.54	

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

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ANNEXURE-'D' TO THE DIRECTOR'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR PERIOD ENDED 31ST MARCH, 2019

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

To:

The Members,
FRONTIER SPRINGS LTD,
CIN: L17119UP1981PLC005212
Km 25/4, Kalpi Road,
Rania, Kanpur Dehat - 209 304 (UP)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Frontier Springs Limited**. (Herein after called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable as the Company has not entered into
- (v) Any transactions relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the audit period);
- (vi) 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; (Not applicable as there were no substantial acquisition of shares and takeovers done during the period under review).
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (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;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable as the Company has not issued and listed any debt securities during the Audit Period);

- (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 as there was no reportable event during the Audit Period);and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not applicable as there was no reportable event during the period under review).

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

- (i) Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and the General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange(s),and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 if applicable;
- (iii) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

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

Adequate notice is given to all 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.

We further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of Audit and review of Internal Auditor's Report, periodical Compliance Reports submitted by respective Departmental heads and taken on record by the Audit Committee / Board of Directors of the Company, in our opinion 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.

For P. MANGHWANI & ASSOCIATES
(Company Secretaries)
Priyanka Manghwani
Proprietor
(M NO. F 9912)
(CP No. 12498)

Date : 02.09.2019
Place : Kanpur

Note: This Report to be read with our letter of even date which is marked as Annexure and forms an integral part of this Report.

Annexure to the Secretarial Audit Report

To,

The Members

Frontier Springs Limited

Registered Office :

25/4 Kalpi Road, Rania,

Kanpur Dehat, Kanpur UP 209304 India

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. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the company has complied with the conditions of corporate governance. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. 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.
7. 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 P. MANGHWANI & ASSOCIATES
(Company Secretaries)
Priyanka Manghwani

Date : 02.09.2019
Place : Kanpur

Proprietor
(M NO. F9912)
(CP No. 12498)

Particulars of contracts/arrangements made with related parties.

This Form pertains to the 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 transactions under third proviso thereto

Details of Contracts or arrangement or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered in to during the year ended 31st March, 2019 which were not at arm's length price.

Details of Contracts or arrangement or transactions at arm's length basis

The details of material contracts or arrangements or transactions entered in to during the year ended 31st March, 2019 which were at arm's length basis

Related Party	Relationship	Nature of transaction	Value (Amount Rs.)	Amount (in Rs.) outstanding Receivable/ Payable
Mr. Kundan Lal Bhatia	Key Management Person	Remuneration, LTC, Perquisites, E. Leave & Incentive	30,50,000.00	Cr. 1,36,431.00
Mr. Kapil Bhatia	Key Management Person	Remuneration, Perquisites, E. Leave, Contribution to NPS & Incentive	90,16,308.00	Cr. 10,73,444.75
Mr. Neeraj Bhatia	Key Management Person	Remuneration, Perquisites, E. Leave, Contribution to NPS & Incentive	89,59,782.00	Cr. 2,94,205.42
Mrs. Mamta Bhatia	Key Management Person	Remuneration, E. Leave, Contribution to NPS & Incentive	43,30,000.00	Cr. 3,10,132.79
Mrs. Manju Bhatia	Key Management Person	Remuneration, E. Leave, Contribution to NPS & Incentive	43,30,000.00	Cr. 4,24,566.27
Mr. Kapil Bhatia	Key Management Person	Interest on Deposits	2,94,431.00	NIL
Mr. Kapil Bhatia	Key Management Person	Interest on Deposits	58,48,721.00	NIL
Mr. Neeraj Bhatia	Key Management Person	Interest on Deposits	3,92,893.00	NIL
Mr. Neeraj Bhatia	Key Management Person	Interest on Deposits	63,99,412.00	NIL
Mrs. Mamta Bhatia	Key Management Person	Interest on Deposits	2,13,812.00	–

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Related Party	Relationship	Nature of transaction	Value (Amount Rs.)	Amount (in Rs.) outstanding Receivable/ Payable
Mrs. Mamta Bhatia	Key Management Person	Interest on Deposits	21,50,000.00	Cr.12,32,197.00
Mrs. Manju Bhatia	Key Management Person	Interest on Deposits	2,29,753.00	–
Mrs. Manju Bhatia	Key Management Person	Interest on Deposits	20,10,000.00	Cr.17,09,100.00
M/s Vishpa Rail Equipments	Associate Concern Pvt. Ltd.	Interest on Deposits	9,47,254.00	–
M/s Vishpa Rail Equipments	Associate Concern Pvt. Ltd.	Re-payment of Deposits	1,42,21,583.00	NIL
M/s Frontier Alloy Steels Ltd	Associate Concern	Sales	12,83,22,826.00	Cr.1,64,43,415.00
M/s Frontier Alloy Steels Ltd	Associate Concern	Jobwork Recd.	7,16,874.00	NIL
M/s Frontier Alloy Steels Ltd	Associate Concern	Purchase	3,94,297.00	NIL
M/s Frontier Engineering	Associate Concern Corporation	Purchase	10,83,393.40	NIL
M/s Frontier Industries	Associate Concern	Land Purchase	57,60,668.00	NIL
M/s Vishpa Rail Equipments	Associate Concern Pvt. Ltd.	Rent Recd.	1,41,600.00	NIL
M/s Vishpa Rail Equipments	Associate Concern Pvt. Ltd.	Jobwork Paid	2,16,84,888.00	NIL
M/s P.C. Packagers	Associate Concern	Purchase	2,21,82,700.62	NIL

Nomination and Remuneration Policy

The Board of Directors of Frontier Springs Limited ("the Company") renamed the Remuneration Committee as the "Nomination and Remuneration Committee" at the Meeting held on August 13, 2014 with immediate effect, consisting of five (5) Non-Executive Directors of which majority are Independent Directors.

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 read with Part D of Schedule II to the Listing Regulations. The Key Objectives of the Committee would be:

- a. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- d. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- e. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- f. To devise a policy on Board diversity
- g. To develop a succession plan for the Board and to regularly review the plan;

2. DEFINITIONS

Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

Board means Board of Directors of the Company.

Directors mean Directors of the Company.

Key Managerial Personnel means

Chief Executive Officer or the Managing Director or the Manager;

Whole-time director;

Chief Financial Officer;

Company Secretary; and

such other officer as may be prescribed.

Senior Management means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

3. ROLE OF COMMITTEE

3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- 3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 3.1.2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- 3.1.3. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

3.2. Policy for appointment and removal of Director, KMP and Senior Management

3.2.1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be

extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

3.2.2. Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3.2.3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

3.2.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

3.3.1. General:

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for

approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

3.3.2. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

a) Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the

Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3.3.3. Remuneration to Non- Executive / Independent Director:

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

d) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

4. MEMBERSHIP

- 4.1 The Committee shall consist of a minimum 4 non-executive directors, majority of them being independent.
- 4.2 Minimum three (3) members shall constitute a quorum for the Committee meeting.
- 4.3 Membership of the Committee shall be disclosed in the Annual Report.
- 4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON

- 5.1 Chairperson of the Committee shall be an Independent Director.
- 5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

7. COMMITTEE MEMBERS' INTERESTS

- 7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING

- 9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- 9.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- 10.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- 10.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- 10.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.
- 10.4 Determining the appropriate size, diversity and composition of the Board;
- 10.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 10.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 10.6 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 10.7 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- 10.8 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.9 Recommend any necessary changes to the Board; and

10.10 Considering any other matters, as may be requested by the Board.

11. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

11.1 to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

11.2 to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a

balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

11.3 to delegate any of its powers to one or more of its members or the Secretary of the Committee.

11.4 to consider any other matters as may be requested by the Board.

11.5 Professional indemnity and liability insurance for Directors and senior management.

12. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

A C C O U N T S

INDEPENDENT AUDITOR'S REPORT

To the Members of

M/S FRONTIER SPRINGS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

I have audited the accompanying standalone financial statements of Frontier Springs Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to us, the aforesaid standalone 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, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Key audit matters

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

my audit of the standalone financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined the matters described below to be the key audit matters to be communicated in my report.

1. Revenue Recognition

Revenue from the sale of goods is recognized upon the transfer of control of the goods to the customer (mainly being supply to railways), usually on delivery of goods. The company uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. As well as the company recognizes its revenue as per the various tenders received from railways which has overall impact on the timing of revenue recognition? There is a risk due to retention norms of 2% or 5% in all purchase orders by railways that revenue could be recognized in the incorrect period for sales transactions occurring on and around the year end therefore revenue recognition has been identified as a key audit matter.

Refer to Note 21 to the Standalone Financial Statements

Auditor's Response

Principal Audit Procedures

My audit procedures included reading the Company's revenue recognition accounting policies to assess compliance with Ind AS 115 "Revenue from contracts with customers".

I performed test of controls of management's process of recognizing the revenue from sales of goods and placed specific attention on the timing of the revenue recognition as per the sales terms with the customers.

I performed test of details of the sales transactions testing based on a representative sampling of the sales orders to test that the related revenues and trade receivables are recorded appropriately taking into consideration the terms and conditions of the sale orders, including the shipping terms.

I also performed sales cut off procedures by agreeing deliveries occurring around the year end to supporting documentation to establish that sales and corresponding trade receivables are properly recorded in the correct period.

2. Retention by railways out of revenue received.

As per railway norms, terms and conditions there

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are demurrage charges which are retained in the form of 2% or 5% of invoice value which is recovered when the tenure as per terms and conditions of the purchase order is completed. The total retention amount for the period ended 31/03/2019 amounts to Rs 62,75,091/- out of total trade receivables and out of which Rs 6,78,853/- has been recovered upto 20 /05/2019.

Auditor's Response

Principal Audit Procedures

My audit procedures included reading the Company's revenue recognition accounting policies to assess compliance with Ind AS 115 "Revenue from contracts with customers".

I performed test of controls of management's process of recognizing the revenue from sales of goods and placed specific attention on the timing of the revenue recognition as per the sales terms with the customers.

I performed test of details of the sales transactions testing based on a representative sampling of the sales orders to test that the related revenues and trade receivables are recorded appropriately taking into consideration the terms and conditions of the sale orders, including the shipping terms.

I also performed sales cut off procedures by agreeing deliveries occurring around the year end to supporting documentation to establish that sales and corresponding trade receivables are properly recorded in the correct period.

3. Taxes including provision for current tax, valuation of uncertain tax positions and recognition of deferred taxes.

The company has recorded Rs. 2,27,07,239/- of tax expense and deferred tax asset amounting to Rs 37,16,335/- for the year ended 31st March, 2019.

The company is subject to periodic tax challenges by tax authorities which may lead to protracted litigations, as such, accounting for taxes involves management judgement in developing estimates of tax exposures and contingencies in order to assess the adequacy of tax provision.

Auditor's Response

Principal Audit Procedures

Assessed the design, implementation and operating effectiveness of key controls in respect

of the company's process of recognition of tax expense, including uncertain tax provisions and deferred taxes.

Assessed the calculation for the current tax provisions and the procedures performed to analyze movements, including the rationale for any release, increase or continued provision in the year.

Assessed management's judgements with respect to probability of outflow arising out of litigation after considering the status of recent tax assessments, audits and enquiries, recent judicial pronouncements and judgements in similar matters, developments in the tax environment and outcome of past litigations.

4. Gratuity Accounting.

Company has taken policy from Life Insurance Corporation regarding the gratuity for its unit at Rania, in regards to this there is a trust Titles as 'Trustees Frontier Springs Ltd Employees Group', the pending payment on this account upto the date of signing of balance sheet is Rs 19,00,000/-. There is no policy taken by company for its unit at Paonta Sahib, Himachal Pradesh and Forging division of Rania. The outstanding amount on this account is Rs 18,16,046/- for Paonta and Rs 2,81,904/- for Forging division at Rania . Against this no earmarked funds have been kept by the company.

Auditor's Response

Principal Audit Procedures

My audit procedures included reading the Company's revenue recognition accounting policies to assess compliance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".

I performed test of controls of management's process of recognizing the Provisions, Contingent Liabilities and Contingent Assets and placed specific attention on the timing of the provisions.

I performed test of details of the expense transactions testing based on a representative sampling of the Provisions to test that the Provisions, Contingent Liabilities and Contingent Assets are recorded appropriately.

I also performed cut off procedures relating to Provisions, Contingent Liabilities and Contingent Assets occurring around the year

end and the same are properly recorded in the correct period.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and my auditor's report thereon.

My opinion on the standalone financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the standalone financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or my knowledge obtained during the course of my audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the 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 AS and other accounting principles generally accepted in India. This responsibility also includes 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

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

My objectives are to obtain reasonable assurance about whether the standalone 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 my 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 standalone financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

Identify and assess the risks of material misstatement of the standalone 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 my 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.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the

circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing my opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone 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 financial statements may be influenced. I consider quantitative materiality and qualitative factors in (i) planning the scope of my audit work and in evaluating the results of my work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my 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

1. As required by Section 143(3) of the Act, based on my audit I report that:

I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.

In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.

The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

In my opinion, the aforesaid standalone financial statements comply with the AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

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 my separate Report in “Annexure A”. My report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

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 my opinion and to the best of my 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.

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, as amended in my opinion and to the best of my information and according to the explanations given to us :

- The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
- The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the company.

2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, I give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For SANJEEVANI RAIZADA & CO.
Chartered Accountants
Firm’s Regn. No. : 021960C
SANJEEVANI RAIZADA
Proprietor
Membership No. 414542

Place : Kanpur
Date : 27.05.2019

ANNEXURE - 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of my report to the Members of Frontier Springs Limited of even date)

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

I have audited the internal financial controls over financial reporting of FRONTIER SPRINGS LIMITED ("the Company") as of March 31, 2019 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

My responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

I believe that the audit evidence I have obtained are sufficient and appropriate to provide a basis for my audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the

internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In my opinion, to the best of my information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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.

For SANJEEVANI RAIZADA & CO.
Chartered Accountants
Firm's Regn. No. : 021960C
SANJEEVANI RAIZADA
Proprietor
Membership No. 414542

Place : Kanpur
Date : 27.05.2019

THIRTY NINTH ANNUAL REPORT

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of my report to the Members of Frontier Springs Limited of even date)

1. In respect of the Company's fixed assets :
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
 - c) The title deeds of the immovable properties are held in the name of the company.
2.
 - a) The management has conducted the physical verification of inventory at reasonable intervals.
 - b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
7.
 - a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess, GST and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.
 - b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised money by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. Based upon the audit procedures performed and the information and explanations given by the management, managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of

Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons

connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For SANJEEVANI RAIZADA & CO.

Chartered Accountants

Firm's Regn. No. : 021960C

SANJEEVANI RAIZADA

Proprietor

Membership No. 414542

Place : Kanpur
Date : 27.05.2019

THIRTY NINTH ANNUAL REPORT

BALANCE SHEET AS ON 31ST MARCH, 2019

	Note No.	Figure as at 31st March, 2019 Rs.	Figure as at 31st March, 2018 Rs.
I. ASSETS			
1. Non-current Assets			
(A) Property, Plant And Equipment	1	29,80,56,645.68	28,92,58,025.77
(B) Capital Work In Progress	1	40,19,359.02	33,76,159.40
(C) Investment Properties		0.00	0.00
(D) Goodwill		0.00	0.00
(E) Other Intangible Assets		0.00	0.00
(F) Intangible Assets Under Developments		0.00	0.00
(G) Biological Assets Other Than Bearer Plants		0.00	0.00
(H) Financial Assets		0.00	0.00
(I) Investments	2	3,01,16,300.88	1,68,00,000.00
(II) Trade Receivables		0.00	0.00
(III) Loans	3	31,52,877.00	31,52,877.00
(IV) Other Financial Assets		0.00	0.00
(I) Deferred Tax Assets (Net)		0.00	0.00
(J) Other Non-current Assets	4	53,90,062.00	60,76,247.00
2. Current Assets			
(A) Inventories	5	18,39,54,036.77	14,97,76,903.34
(B) Financial Assets			
(I) Investments	6	0.00	0.00
(II) Trade Receivables	7	11,45,19,353.00	10,16,46,032.89
(III) Cash And Cash Equivalents	8	1,26,12,501.90	1,25,55,622.06
(IV) Bank balances other than Cash and Cash equivalents		0.00	0.00
(V) Loans	9	2,06,13,011.11	1,14,88,714.28
(VI) Other Financial Assets		0.00	0.00
(C) Current Tax Assets (Net)		0.00	0.00
(D) Other Current Assets	10	54,35,920.24	5,50,387.42
Total Assets		<u>67,78,70,067.60</u>	<u>59,46,80,969.16</u>
II. EQUITY & LIABILITIES			
1. Equity			
(A) Equity Share Capital	11	3,96,32,110.00	3,96,32,110.00
(B) Other Equity	12	33,80,31,862.98	25,75,08,328.75
2. Liabilities			
Non-current Liabilities			
(A) Financial Liabilities			
(I) Borrowings	13	2,77,12,143.47	5,77,70,779.97
(II) Trade Payables		0.00	0.00
(III) Other Financial Liabilities		0.00	0.00
(B) Provisions	14	33,64,190.00	28,48,464.00
(C) Deferred Tax Liabilities (Net)	15	1,70,42,131.00	2,07,58,466.00
(D) Other Non-current Liabilities	16	4,07,282.00	4,85,550.00
3. Current Liabilities			
(A) Financial Liabilities			
(I) Borrowings	17	6,09,68,631.38	6,55,22,326.54
(II) Trade Payables	18	16,31,90,295.92	13,00,18,827.52
(III) Other Financial Liabilities		0.00	0.00
(B) Other Current Liabilities	19	1,07,81,356.00	94,84,652.79
(C) Provisions	20	1,67,40,064.85	1,06,51,463.60
(D) Current Tax Liabilities (Net)		0.00	0.00
Total Equity & Liabilities		<u>67,78,70,067.60</u>	<u>59,46,80,969.16</u>
Significant Accounting Policies and Notes on Financial Statements	A to W & 1 to 36		

As per our Report of even date.

For SANJEEVANI RAIZADA & CO.

Chartered Accountants

Firm Registration No. 021960C

SANJEEVANI RAIZADA

Proprietor

Membership No. 414542

Place : Kanpur

Date : 27.05.2019

For and on behalf of Board of Directors

K. L. BHATIA

Chairman & Managing Director

KAPIL BHATIA
Managing Director

NEERAJ BHATIA
CFO

DHRUV BHASIN
Company Secretary

SANJAY NIGAM
Manager Accounts

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	Note No.	Figure as at 31st March, 2019 Rs.	Figure as at 31st March, 2018 Rs.
INCOME			
I. Revenue From Operations	21	83,13,36,405.72	59,48,42,198.39
Other Income	22	70,29,997.45	55,22,991.59
Total Income		83,83,66,403.17	60,03,65,189.98
II. Expenses			
Cost of Material Consumed	23	37,36,18,577.24	23,96,06,470.21
Changes In Inventories of Finished Goods And Work-in-progress	24	(1,25,50,396.51)	2,60,73,434.20
Employee Benefit Expenses	25	2,51,66,698.00	2,09,09,115.00
Finance Cost	26	83,15,119.71	1,32,25,750.08
Depreciation And Amortisation Expenses	27	2,21,58,380.19	1,93,78,526.82
(A) Manufacturing And Operating Cost	28	18,36,89,574.48	12,83,12,821.93
(B) Other Expenses	29	13,49,50,281.71	9,79,15,143.77
Total Expenses		73,53,48,234.82	54,54,21,262.01
III. Profit/(Loss) Before Exceptional Items And Tax		10,30,18,168.35	5,49,43,927.97
IV. Exceptional Items		0.00	0.00
V. Profit/(Loss) Before Tax		10,30,18,168.35	5,49,43,927.97
VI. Tax Expenses /(Credit)			
(1) Current Tax		2,27,07,239.00	1,14,04,504.00
(2) Deferred Tax		(37,16,335.00)	79,07,899.00
VII. Profit (Loss) For The Year		8,40,27,264.35	3,56,31,524.97
VIII. Other Comprehensive Income			
Items That Will Not Be Reclassified To Profit or Loss			0.00
Re-measurement Gain on Defined Benefit Obligation		15,46,550.88	0.00
Income Tax Relating To Above		(4,30,250.00)	0.00
Total Other Comprehensive Income (Net of Tax)		11,16,300.88	0.00
IX. Total Comprehensive Income For The Year (VII+VIII)		8,51,43,565.23	3,56,31,524.97
X. Earning Per Share			
Basic & Diluted (Face Value Of Rs.10/- Per Equity Shares)	30	21.62	9.05
(1) Diluted			
Significant Accounting Policies and Notes on Financial Statements	A to W & 1 to 36		

As per our Report of even date.

For SANJEEVANI RAIZADA & CO.
Chartered Accountants
Firm Registration No. 021960C
SANJEEVANI RAIZADA
Proprietor
Membership No. 414542
Place : Kanpur
Date : 27.05.2019

For and on behalf of Board of Directors

K. L. BHATIA
Chairman & Managing Director
KAPIL BHATIA
Managing Director
NEERAJ BHATIA
CFO
DHRUV BHASIN
Company Secretary
SANJAY NIGAM
Manager Accounts

THIRTY NINTH ANNUAL REPORT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31.03.2019	(Rs. in Lacs) As at 31.03.2018
A) Cash Flow From Operating Activities :		
Net Profit Before Tax As Per Statement of Profit And Loss	1,045.65	549.44
Item Adjustment For :-		
Depreciation & Amortisation Expenses	221.58	193.79
Finance Cost	83.15	132.26
Rental Income	(32.53)	(30.24)
Interest Income	(9.44)	(12.73)
Input Credit of Central Excise & Refund of Gst	(14.17)	(9.68)
Jobwork Income	(13.91)	(2.58)
Loss on Sale of Car Taken As Extra Ordinary Item	5.26	5.07
Hire Charges	10.93	7.65
Operating Profit Before Working Capital Changes	1,296.52	832.98
Adjustment For :-		
Inventories	(341.77)	102.97
Sundry Debtors	(128.73)	(271.38)
Loan & Advances	(133.24)	2.40
Sundry Creditors	343.88	96.09
Sundry Provisions	66.05	23.79
Cash Generated From Operations	1,102.71	786.85
Extra Ordinary Items	(5.26)	(5.07)
Tax Paid	(231.37)	(114.05)
Net Cash (Used In) From Operating Activities (A)	866.08	667.73
(B) Cash Flow From Investing Activities :		
Purchase of Property,Plant And Equipments	(333.53)	(489.17)
Sale Of Property,Plant And Equipments	17.53	142.90
Investment	(133.16)	(152.00)
Interest Received	9.44	12.73
Input Credit Of Central Excise Duty On Stock	14.17	9.68
Jobwork Income	13.91	2.58
Rent Received	32.53	30.24
Net Cash (Used In)/From Investing Activities (B)	(379.11)	(443.04)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019 (Contd..)

	As at 31.03.2019	(Rs. in Lacs) As at 31.03.2018
C) Cash Flow From Financing Activities		
Proceeds From Share Capital	0.00	0.00
Proceeds/(Repayment) From Long Term Borrowings	(300.59)	(48.01)
Proceeds/(Repayment) Of Short Term Borrowing	(45.53)	(102.69)
Dividend Paid (Including Dividend Distribution Tax)	(46.20)	0.00
Interest Paid (Bank & Loan)	(83.15)	(132.26)
Hire Charges	(10.93)	(7.65)
Net Cash(used In)/From Financing Activities (C)	(486.40)	(290.61)
Net(decrease)/Increase In Cash And Cash Equivalents (A+B+C)	0.57	(65.92)
Cash And Cash Equivalents-opening	125.56	191.48
Cash And Cash Equivalents-closing	126.13	125.56

As per our Report of even date.

For SANJEEVANI RAIZADA & CO.

Chartered Accountants

Firm Registration No. 021960C

SANJEEVANI RAIZADA

Proprietor

Membership No. 414542

Place : Kanpur

Date : 27.05.2019

For and on behalf of Board of Directors

K.L. BHATIA

Chairman & Managing Director

KAPIL BHATIA
Managing Director

DHRUV BHASIN
Company Secretary

NEERAJ BHATIA
CFO

SANJAY NIGAM
Manager Accounts

THIRTY NINTH ANNUAL REPORT

STATEMENT OF CHANGE IN EQUITY AS ON 31st MARCH, 2019

(Amount in Rs.)

Particulars	Figures As At 31.03.2019	Figures As At 31.03.2018
(A) EQUITY SHARE CAPITAL :		
(Including Share Forfeiture)		
Balance at the beginning of the Reporting Year	3,96,32,100.00	3,96,32,110.00
Balance at the end of the Reporting Year	3,96,32,100.00	3,96,32,110.00

(B) OTHER EQUITY:

(Amount in Rs.)

Particulars	Security Premium Account	General Reserve	Surplus	Total
Balance As At 1st April, 2018	2,20,28,000.00	2,00,00,000.00	17,98,48,803.78	22,18,76,803.78
Profit For The Year	–	–	3,56,31,524.97	3,56,31,524.97
Other Comprehensive Income	–	–	0.00	0.00
Total Comprehensive Income For The Year	–	–	3,56,31,524.97	3,56,31,524.97
Dividend Paid	–	–	0.00	0.00
Dividend Distribution Tax	–	–	0.00	0.00
Balance As At March, 2018	2,20,28,000.00	2,00,00,000.00	21,54,80,328.75	25,75,08,328.75
Profit For The Year	–	–	8,40,27,264.35	8,40,27,264.35
Other Comprehensive Income	–	–	11,16,300.88	11,16,300.88
Total Comprehensive Income For The Year	–	–	8,51,43,565.23	8,51,43,565.23
Dividend Paid	–	–	(39,38,511.00)	(39,38,511.00)
Dividend Distribution Tax	–	–	(6,81,520.00)	(6,81,520.00)
Balance As At March, 2019	2,20,28,000.00	2,00,00,000.00	29,60,03,862.98	33,80,31,862.98
Earning Per Equity Share of Rs.10 Each				21.62

As per our Report of even date.

For SANJEEVANI RAIZADA & CO.

Chartered Accountants

Firm Registration No. 021960C

SANJEEVANI RAIZADA

Proprietor

Membership No. 414542

Place : Kanpur

Date : 27.05.2019

For and on behalf of Board of Directors

K. L. BHATIA

Chairman & Managing Director

KAPIL BHATIA

Managing Director

DHRUV BHASIN

Company Secretary

NEERAJ BHATIA

CFO

SANJAY NIGAM

Manager Accounts

NOTES ON IND AS AUDITED FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2019

1. It has been further informed to us by the management of Company that due to change in Market Value of ICICI Prudential Mutual Funds on 31st. March 2019, there is change in value of Rs.13,38,435.57 and change in Market value as on 31st. March, 2019 of SBI Dual Advantage Fund there is change in value to Rs. 83,720.00 and in HDFC Corporate Bond Fund there is change in value to Rs. 70,991.22 and ICICI Prudential Liquid Funds (G) on 31st. March 2019, there is change in value of Rs.53,404.09 which has been duly mentioned in Note no. 2 on Financial Statement of Non-Current Investment.

(Amount in Rs.)

Particulars	Current Value	Market Value	Change
ICICI Prudential Mutual Fund (8,58,628.780 UNITS @24.3859)	1,96,00,000.00	2,09,38,435.57	13,38,435.57
S.B.I. Dual Advantage Fund (2,00,000 UNITS @10.4186)	20,00,000.00	20,83,720.00	83,720.00
HDFC Corporate Bond Fund (3,10,948.378 UNITS @20.8105)	64,00,000.00	64,70,991.22	70,991.22
ICICI Prudential Liquid Fund (G) (3,824.737 Units @275.4187)	10,00,000.00	10,53,404.09	53,404.09
Total	2,90,00,000.00	3,05,46,550.88	15,46,550.88

The presentation of Non-Current Investment & Other Comprehensive Income as follows:

(Amount in Rs.)

Particulars	Figures As At 31.03.2019	Figures As At 31.03.2018
Non-Current Investments;		
ICICI Prudential Mutual Fund	2,05,66,083.57	1,48,00,000.00
S.B.I. Dual Advantage Fund	20,60,429.00	20,00,000.00
HDFC Corporate Bond Fund	64,51,241.22	0.00
ICICI Prudential Liquid Fund (G)	10,38,547.09	0.00
Total	3,01,16,300.88	1,68,00,000.00

Other Comprehensive Income (OCI) as on 31st March, 2019
Items that will be reclassified to Profit and loss account:

	Amount (Rs.)
(i) Fair Value gain on investment through OCI	15,46,550.88
(ii) Income Tax expenses on net fair value gain on investment	4,30,250.00
Net increase in Profit	11,16,300.88

As per our Report of even date.

For SANJEEVANI RAIZADA & CO.
Chartered Accountants
Firm Registration No. 021960C
SANJEEVANI RAIZADA
Proprietor
Membership No. 414542
Place : Kanpur
Date : 27.05.2019

For and on behalf of Board of Directors

K. L. BHATIA
Chairman & Managing Director
KAPIL BHATIA
Managing Director
NEERAJ BHATIA
CFO
DHRUV BHASIN
Company Secretary
SANJAY NIGAM
Manager Accounts

SIGNIFICANT ACCOUNTING POLICIES

Company Overview

FRONTIER SPRINGS LTD. is a Listed Public Limited Company having its Registered office at KM-25/4 Kalpi Road Rania Kanpur-Dehat and is mainly engaged in the production of L.B.Springs and Hot Coiled Compression Spring and forging items for Wagon, Locomotives and Carriage and are regularly supplying to Railways, Bogie Manufactures, Chittaranjan Locomotive Works, Diesel Locomotive Works, Integrate Coach Factory, Rail Coach Factory. In addition to the supply to the Railways, the Unit is also supplying the Springs to Heavy Engineering Industries & original Earth Movers Equipment manufacturers i.e. BEML, TELCON, Bharat Heavy Electricals Ltd.

Since last about 33 years FRONTIER SPRINGS LTD. is registered with RDSO (Ministry of Railways) for supply of springs to Indian Railways and the unit has developed large number of springs as per the latest specification of the RDSO.

The Company has set up three plants to meet the demand requirements of the above stated Industries at 1. KM-25/4, Rania Kanpur Dehat, 2. 91/2, Kunja, Paonta Sahib, Sirmaor Himanchal Pradesh, 3. Forging Unit at KM-25/4, Rania Kanpur Dehat

A. Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI). 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 policy hitherto in use.

B. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

C. Property, Plant and Equipment

Tangible Assets are stated at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

D. Leased Assets

As informed by the Management, the Company has a lease hold land allotted by U.P.S.I.D.C. situated at E-14, Panki Industrial Area, Site no. I, Kanpur

E. Intangible Assets

As informed by the Management, the Company has no Intangible Assets.

F. Depreciation and Amortisation

Depreciation on fixed assets is provided on the straight-line method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Individual low cost assets (acquired for '5,000/- or less) are depreciated as per the rates

prescribed in Schedule II of the Companies Act, 2013, over a period of one year from the date of acquisition.

G. Impairment of Assets

As informed by the Management, there is no indication of impairment in assets. (as it occurs where carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the assets and its eventual disposal).

H. Foreign Currency Transactions

Foreign-currency denominated monetary assets and liabilities are translated at exchange rates in effect at the date of the transaction. The gains or losses resulting from such transactions are included in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

I. Investments

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on Management's intention at the time of purchase and there is no current investment. Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

J. Inventories

(i) Value of Raw Materials, Stores & Spares and packing material are ascertained at cost on FIFO basis, Work in Process is valued at conversion cost exclusive of Excise duty, Scrap are valued at Net Realisable value and Finished goods are valued at Net Realisable value.

(ii) Valuation of Closing Stock of Finished Goods & Scrap:

Closing stock of Finished Goods & Scrap amounting to Rs.1,15,00,230.53 (Pre.Yr. Rs.1,30,99,256.83 of closing stock of finished goods & scrap).

K. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, sales tax, service tax, excise duty and sales during trial run period, adjusted for discounts (net), Value Added Tax (VAT) and gain / loss on corresponding hedge contracts. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

L. Excise Duty / Service Tax and Sales Tax / Value Added Tax and GST.

Excise duty / Service tax / Sales tax and GST are accounted on the basis of both, payments made in respect of goods cleared / services provides as rental income received. Sales tax / Value added tax and GST paid is charged to Profit and Loss account.

M. Retirement benefits to employees

Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined

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benefit retirement plans ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Frontier Springs Limited Employees' Gratuity Fund Trust (the Trust). Trustees administer contributions made to the Trust and contributions are invested in specific investments as permitted by the law. The Company recognizes the premium payable on account of said policy is charged to profit & loss account, respectively in accordance with Accounting Standard (AS) 15, 'Employee Benefits'.

Provident fund

Eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.

The Company's contribution to Provident Fund and Family Pension Fund is charged to Profit & Loss account

N. Employee Separation Costs

Compensation if any paid to employees who have opt for retirement from the Company is charged to the Profit and Loss account in the year of exercise of option.

O. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

P. Financial Derivatives and Commodity Hedging Transactions

In respect of derivative contracts, premium paid, gains / losses on settlement and losses on restatement, if any are recognized in Balance Sheet, except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

Q. Accounting for Oil and Gas Activity

The Company has adopted Full Cost Method of accounting for consumption of Furnace oil, Diesel and Gas as well as the expenditure is accounted on the basis of available information.

R. Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

S. Premium on Redemption of Bonds / Debentures

Company has not issued any Bonds / Debentures, since its incorporation.

T. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

The Company is contingently liable towards Bank Guarantee provided to the tune of Rs. 73.23 lacs in favour of Indian Railways and H.P.S.E.B. and contingently liable towards Letter of credit provided to the tune of Rs.778.453 lacs in favour of M/s Sun Flag Iron & Steel Co. Ltd., M/s Deepa Sales, Bhushan Power & Steels Ltd. & Behari Lal Ispat Pvt. Ltd. (Prev. Yr. Bank guarantee of Rs. 218.27 lacs in favour of Indian Railways and H.P.S.E.B. and Letter of credit of Rs.440.83 lacs in favour of M/s Sun Flag Iron & Steel Co. Ltd. ,M/s Deepa Sales).

U. Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic Earnings Per Share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

V. Cash and cash Equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

W. 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 from operating, investing and financing activities of the Company are segregated.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

1. PROPERTY, PLANT & EQUIPMENTS

Name of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as on 01.04.2018	Addition during the year	Trf./Adjustment during the year	Total as on 31.3.2019	Upto 31.03.2018	For the Year	Trf./ Adjustment For year	Total as on 31.03.2019	Balance as on 31.03.2019	Balance as on 31.03.2018
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Lease Hold Land (Panki)	1,65,621.02			1,65,621.02	0.00	0.00		0.00	1,65,621.02	1,65,621.02
Free Hold Land	3,25,53,931.00			3,25,53,931.00	0.00	0.00		0.00	3,25,53,931.00	3,25,53,931.00
Building	9,44,78,604.59	47,13,957.02		9,91,92,561.61	1,56,14,113.35	29,32,156.00		1,85,46,269.35	8,06,46,292.26	7,88,64,491.24
Plant & Machinery	18,88,20,274.93	1,03,26,073.04	3,75,100.00	19,87,71,247.97	7,91,02,839.00	94,25,659.00	87,625.00	8,84,40,873.00	11,03,30,374.97	10,97,17,435.93
Tools Moulds & Rolls (Iron)	2,98,28,217.04	16,23,490.00		3,14,51,707.04	82,35,761.98	17,63,029.00		99,98,790.98	2,14,52,916.06	2,15,92,455.06
Generator	53,42,665.00	25,92,860.70		79,35,525.70	24,00,621.06	4,93,975.00		28,94,596.06	50,40,929.64	29,42,043.94
Lab & Testing Equipments	1,32,80,053.75	73,000.00		1,33,53,053.75	59,28,067.53	13,51,917.30		72,79,984.83	60,73,068.92	73,51,986.22
Office Equipments	59,91,529.03	5,62,332.54		65,53,861.57	39,66,731.18	5,60,899.43		45,27,630.61	20,26,230.96	20,24,797.85
Electric Filings & Equipments	1,38,99,514.87	17,89,986.60		1,56,89,501.47	54,16,485.87	15,46,458.44		69,62,944.31	87,26,557.16	84,83,029.00
Furniture & Fixture	61,18,858.88	29,09,759.78		90,28,618.66	39,13,709.63	3,85,889.24		42,99,598.87	47,29,019.79	22,05,149.25
Vehicles	3,34,82,422.59	31,09,686.00	25,39,622.00	3,40,52,486.59	1,07,81,056.33	34,15,420.27	10,74,277.00	1,31,22,199.60	2,09,30,287.00	2,27,01,366.26
Computer	39,37,459.77	3,23,532.40		42,60,992.17	32,81,740.76	2,05,404.51		34,87,145.27	7,73,846.90	6,55,719.00
Solar Power Plant	0.00	46,85,142.00		46,85,142.00	0.00	77,572.00		77,572.00	46,07,570.00	0.00
Total	42,78,99,152.47	3,27,09,820.08	29,14,722.00	45,76,94,250.55	13,86,41,126.69	2,21,58,380.19	11,61,902.00	15,96,37,604.88	29,80,56,645.68	28,92,58,025.77
Previous Year	39,55,22,087.72	5,53,80,451.52	2,30,03,386.77	42,78,99,152.47	12,79,85,627.09	1,93,78,526.82	87,23,027.20	13,86,41,126.70	28,92,58,025.77	
Capital Work In Progress									40,19,359.02	33,76,159.40

1.1 Capital Work-in-Progress of Rs. 40,19,359.02 includes:

i) Rs.10,46,404.00 on account of building Work-in-progress for construction of room at Rania and Rs. 29,72,955.02 on account of building work-in-progress for construction of work-shed at paonia unit.)

(Previous Year Rs.33,76,159.40 inclues Rs.10,29,731.00 on account of Plant & Machinery wok-in-progress for Coiling Machine and Rs. 23,46,428.40 on account of building Work-in-progress for construction of workshed at Rania and office at Panki Kanpur):

As per our Report of even date.
For SANJEEVANI RAIZADA & CO.
Chartered Accountants
Firm Registration No. 021960C
SANJEEVANI RAIZADA
Proprietor

Place : Kanpur
Date : 27.05.2019
K.L. BHATIA
Chairman & Managing Director
KAPIL BHATIA
Managing Director
NEERAJ BHATIA
CFO
DHRUV BHASIN
Company Secretary
SANJAY NIGAM
Manager Accounts

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current year presentation.

Particulars	Figure as at 31st March, 2019 Rs.	Figure as at 31st March, 2018 Rs.
NON-CURRENT ASSETS:-		
2. NON-CURRENT INVESTMENTS		
ICICI Prudential Mutual Fund (8,58,628.780 Units @24.3859 current value Rs. 2,05,66,083.57) After Tax expenses Rs.3,73,352.00 on gain on investment through OCI (Previous year 5,81,568.79 Units @22.9103 Current value Rs. 1,33,23,915.45)	2,05,66,083.57	1,48,00,000.00
S.B.I. Dual Advantage Fund (2,00,000 UNITS @10.4186 current value Rs. 20,60,429.00) After Tax expenses Rs.23,291.00 on gain on investment through OCI	20,60,429.00	20,00,000.00
HDFC Corporate Bond Fund (3,10,948.378 UNITS @20.8105 current value Rs.64,51,241.22) After Tax expenses Rs.19,750.00 on gain on investment through OCI	64,51,241.22	0.00
ICICI Prudential Liquid Fund (G) (3,824.737 UNITS @275.4187 current value Rs. 10,38,547.09) After Tax expenses Rs.14,857.00 on gain on investment through OCI	10,38,547.09	0.00
TOTAL	3,01,16,300.88	1,68,00,000.00
3. NON-CURRENT LOANS		
(Unsecured And Considered Good)		
(a) Advance For Capital Items	31,52,877.00	31,52,877.00
Total	31,52,877.00	31,52,877.00

3.1 Advance for capital items of Rs.31,52,877/- advance to Unitech Limited on account of booking of a flat at Gurgaon. (Prev.Yr.Rs.31,52,877/- advance on account of booking of a flat at Gurgaon.)

Particulars	Figure as at 31st March, 2019 Rs.	Figure as at 31st March, 2018 Rs.
4. OTHER NON-CURRENT ASSETS;		
(i) debts due for more than one year	53,90,062.00	6076247.00
Total	53,90,062.00	6076247.00

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NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	Figure as at 31st March, 2019 Rs.	Figure as at 31st March, 2018 Rs.
CURRENT ASSETS:-		
5. INVENTORIES		
1. Raw Material	7,23,86,396.81	5,23,06,504.31
2. Stock-in-progress	8,03,23,393.41	6,61,73,970.60
3. Finished Goods	96,86,928.76	1,07,49,314.90
4. Finishe D Goosd(Roofing Sheets)	5,62,472.19	4,56,708.91
5. Scrap	12,50,829.58	18,93,233.02
6. Furnace Oil	11,30,601.16	7,16,995.00
7. Diesel Oil	7,22,174.41	1,67,171.84
8. Consumable Stores	1,19,95,955.71	1,35,37,348.60
9. Packing Material	3,06,889.74	11,66,209.16
10. Stock-in-transit	55,88,395.00	26,09,447.00
Total	<u>18,39,54,036.77</u>	<u>14,97,76,903.34</u>
6. CURRENT INVESTMENTS;		
Total	<u>0.00</u>	<u>0.00</u>
7. SUNDRY DEBTORS		
(Unsecured but considered good holding no security other than debtors personal security)		
Debts due for less than six months	11,02,19,918.00	9,76,94,943.89
Debts due for more than six months	42,99,435.00	39,51,089.00
Total	<u>11,45,19,353.00</u>	<u>10,16,46,032.89</u>
8. CASH AND CASH EQUIVALENTS		
(a) Cash In Hand (As Certified By Management)	46,912.80	3,28,834.80
(B) Balance With H. D. F. C. Bank Ltd.	1,13,773.39	15,65,445.39
(C) Balance With S. B. I. Sme A/c	1,88,046.62	97,819.90
(D) Balance With P. N. B. Current A/c (Gratuity)	2,973.92	11,619.00
(E) Balance With S. B. I. Sme A/c (Paonta Sahib Unit)	3,40,766.12	3,37,586.21
(F) Balance With S. B. I. Sme A/c 34459113680(paonta)	3,42,246.59	4,76,420.49
(G) Balance With S. B. I. Sme A/c (Forging Div.)	5,31,540.26	68,807.24
(H) Balance With Yes Bank Ltd. (Un-claimed Dividend)	4,07,282.00	4,85,550.00
(I) Balance With Standard Chartered Bank	0.00	630.93
(J) Balance With S.b.i. C/A A/c (351351103258), Poanta	385.20	1,12,431.10
(K) Margin Money With S.B.I. Agst. L/c & B.g.	96,38,575.00	90,70,477.00
(L) S. T. D. R. With S. B. I. Paonta Sahib	10,00,000.00	0.00
Total	<u>1,26,12,501.90</u>	<u>1,25,55,622.06</u>

8.1 Balance with YES Bank Ltd. of Rs. 4,07,282.00 is on account of Unpaid Dividend for the period 2011-12 and amount Rs.1,83,218.00 on account of Unpaid Dividend for the period 2010-11 is transferred to Investor Education and Protection Fund.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	Figure as at 31st March, 2019 Rs.	Figure as at 31st March, 2018 Rs.
9. CURRENT LOANS AND ADVANCES		
(Unsecured But Considered Good)		
I) Advance For Capital Items	52,11,042.52	6,90,000.00
II) Security Deposit	1,15,75,885.00	75,81,443.00
III) Advance To Trade Supplier	6,01,227.97	6,70,949.47
IV) Advance To Staff Agst. Salary	21,24,222.86	17,07,119.31
V) Advances For Expenses	51,417.76	94,168.00
VI) Prepaid Expenses	10,45,408.00	7,41,832.50
VII) Income Tax Refund (A.y. 2017-18)	0.00	3,202.00
VIII) Income Tax Refund (A.y. 2018-19)	3,807.00	0.00
Total	2,06,13,011.11	1,14,88,714.28

9. (ii) Advance for Capital items of Rs. 52,11,042.52 include as under :
- i) Rs. 17,09,660.52 advance for Straightening MACHine, Rs. 4,10,382.00 advance to supplier for repairing of furnace and Rs. 29,51,000/- to supplier of building material and building construction of wokshop-shed and Rs. 1,40,000/- given advance to supplier on account of spares for furnace repairing.
(Prev.Yr. Rs.5,50,000.00 advance office equipments and Rs. 1,40,000/- given advance to supplier on account of spares for furnace repairing).
9. (iii) Security deposits of Rs.1,15,75,885.00 include as under :
- i) Rs.18,49,698/- deposit for electricity with U.P.S.E.B. and H.P.S.E.B. (Prev.Yr. Rs.25,60,262/-), and Rs. 8,000/- with Central Excise (Prev. Rs.8,000.00).
- ii) Rs.91,00,320/- deposit with Indian Railway against warrantee (Prev.Yr.Rs.46,26,377/-), Rs.30,505/- deposit for gas cylendar with IOC (Prev.Yr.Rs.30,505/-) and Rs. 2,44,112/- deposit with sales tax. (Prev. Yr. Rs. 1,78,034/)
- iii) Rs.63,250/- deposit for Telephone with BSNL (Prev. Yr. Rs.65,805/-) and Rs. 10,000/- deposit to Stanadard Chartered Bank for transfer of shares. (Prev. Yr. Rs.10,000/-) and Rs. 2,70,000/- deposit against rent. And (Pre.Yr. Rs. 1,02,500/-)

Particulars	Figure as at 31st March, 2019 Rs.	Figure as at 31st March, 2018 Rs.
10. OTHER CURRENT ASSETS		
Accrued Interest On STDR With Bank	1,05,899.87	2,04,340.42
Electronic Cash Ledger Account	12,59,341.59	88,649.00
IGST Input	39,02,412.68	19,480.00
CGST Input	76,796.05	0.00
SGST Input	76,796.05	0.00
TDS (IGST)	14,674.00	0.00
TDS (Vat Recoverable)	0.00	2,37,918.00
Total	54,35,920.24	5,50,387.42

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NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	Figure as at 31st March, 2019 Rs.	Figure as at 31st March, 2018 Rs.
EQUITY & LIABILITIES:		
11. SHARE CAPITAL		
Authorised Capital:		
50,00,000 Equity Shares of Rs.10/-each	5,00,00,000.00	5,00,00,000.00
10,000 12% Redeemable Preference Shares of Rs. 100/- Each Redeemable After 5 Years	10,00,000.00	10,00,000.00
Total	5,10,00,000.00	5,10,00,000.00
Issued Capital		
39,87,911 Equity Shares of Rs. 10/- Each (Including 12,57,500 Shares Issued as Bonus)	3,98,79,110.00	3,98,79,110.00
Total	3,98,79,110.00	3,98,79,110.00
Subscribed and Paid Up Capital		
39,38,511 Equity Shares of Rs. 10/- Each Fully Paid Up (Including 12,57,500 Shares Issued as Bonus)	3,93,85,110.00	3,93,85,110.00
49,400 Forfeited Equity Share (Paid Up Rs.5/- Only)	2,47,000.00	2,47,000.00
Total	3,96,32,110.00	3,96,32,110.00

The Company has issued only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the share holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The proportion to the number of equity shares held by the shareholders.

SHARE CAPITAL	Figure As at 31.03.2019 Rs.	Figure As at 31.03.2018 Rs.
Authorised Capital:		
50,00,000 Equity Shares of Rs.10/- each	5,00,00,000.00	5,00,00,000.00
10,000 12% Redeemable Preference Shares of Rs. 100/- Each Redeemable After 5 Years	10,00,000.00	10,00,000.00
Issued Capital		
39,87,911 Equity Shares of Rs. 10/- Each (Including 12,57,500 Shares Issued As Bonus)	3,98,79,110.00	3,98,79,110.00
Subscribed And Paid Up Capital		
39,38,511 Equity Shares of Rs. 10/- Each (Including 12,57,500 Shares Issued As Bonus)	3,93,85,110.00	3,93,85,110.00
49,400 Share Forfeiture (Paid Up Rs.5/- Only)	2,47,000.00	2,47,000.00

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	Figure as at 31st March, 2019 Rs.	Figure as at 31st March, 2018 Rs.
A) Share Held by Ultimate Holding Company and its Subsidiaries	Not Applicable	Not Applicable
B) Reconciliation of Share outstanding balance at the	No. of Shares/ Amount	No. of Shares/ Amount
Beginning of the year	3938511/39385110	3938511/39385110
Add : Issued during the year Balance at the end of the year	Nil	Nil
Balance at the end of the year	3938511/39385110	3938511/39385110
C) Details of Share Holders Holding more than 5% of the aggregate Share in the Company.		
Name of Share Holders	No. of Shares	Amount
1. Kundan Lal Bhatia	3,26,040	32,60,400.00
2. Kamla Bhatia	2,55,609	25,56,090.00
3. Kapil Bhatia	6,08,139	60,81,390.00
4. Neeraj Bhatia	5,52,430	55,24,300.00
Right, Preference and Restriction attached to shares	Nil	Nil
D) The Company has equity shares having par value of Rs.10/- Each shareholder is eligible for one vote per share held.		
12. OTHER EQUITY:		
Capital Reserve;		
Opening Balance	0.00	0.00
Add: Transferred From Surplus	0.00	0.00
Closing Balance	0.00	0.00
Securities Premium Account :		
(On 22,27,500 Equity Shares of Rs.10/- Each Per Share Including Premium Received @ 5/- on 49,400 Shres Foefeited)		
Opening Balance	2,20,28,000.00	2,20,28,000.00
Add: On Issue of Shares	0.00	0.00
Closing Balance	2,20,28,000.00	2,20,28,000.00
General Reserve;		
Opening Balance	2,00,00,000.00	2,00,00,000.00
Add : Transferred From Surplus	0.00	0.00
Closing Balance	2,00,00,000.00	2,00,00,000.00
Surplus;		
Opening Balance	21,54,80,328.75	17,98,48,803.78
Add : Net Profit After Tax Transferred From Statement Of Profit And Loss	8,51,43,565.23	3,56,31,524.97
Amount Available For Appropriation	30,06,23,893.98	21,54,80,328.75
Appropriations:		
Proposed Dividend	39,38,511.00	0.00
Proposed Dividend Distribution Tax)	6,81,520.00	0.00
Closing Balance	29,60,03,862.98	21,54,80,328.75
Total	33,80,31,862.98	25,75,08,328.75

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NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	Figure as at 31st March, 2019 Rs.	Figure as at 31st March, 2018 Rs.
NON-CURRENT LIABILITIES:-		
FINANCIAL LIABILITIES		
13. NON-CURRENT BORROWINGS		
(i) Term Loans		
Secured Loan		
Bmw India Financial Services Ltd.	33,55,511.97	39,45,255.67
Icici Bank Ltd.	28,26,996.00	34,00,000.00
Kotak Mahindra Prim.ltd. Car Loan	27,89,707.00	46,84,087.00
Mahindra & Mahindra Financial Services Ltd.	6,30,821.00	68,753.00
Toyota Finacial Services India Ltd.	11,44,259.00	9,94,334.00
(All Car Loan Against Hypothecation Of Cars)		
State Bank Of India Term Loan A/C	80,52,233.00	1,21,76,024.00
(Term Loan Against Hypothecation Of Building & Plant & Machinery)		
Icici Bank Ltd.	4,67,588.80	8,02,091.30
Siemens Financial Services Pvt. Ltd.	55,03,729.70	0.00
(Term Loan Against Hypothecation Of Plant & Machinery)		
Total	<u>2,47,70,846.47</u>	<u>2,60,70,544.97</u>
(ii) Inter Corporate Body Deposits		
Vishpa Rail Equipments Pvt. Ltd.	0.00	1,33,69,054.00
Total	<u>0.00</u>	<u>1,33,69,054.00</u>
(iii) Unsecured Loan		
Kapil Bhatia (Director)	0.00	55,83,284.00
Mamta Bhatia (Director)	12,32,197.00	31,89,766.00
Manju Bhatia (Director)	17,09,100.00	35,12,323.00
Neeraj Bhatia (Director)	0.00	60,45,808.00
Total	<u>29,41,297.00</u>	<u>18,331,181.00</u>
Total	<u>2,77,12,143.47</u>	<u>5,77,70,779.97</u>
14. LONG-TERM PROVISIONS		
Provisions For Employee Benefits		
(i) Gratuity Payable	14,07,482.00	10,79,117.00
(ii) Leave Encashment Payable	19,56,708.00	17,69,347.00
TOTAL	<u>33,64,190.00</u>	<u>28,48,464.00</u>

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019
15. DEFERRED TAX LIABILITIES (NET)

AS-22 issued by the Institute of Chartered Accountants of India, the major components of accumulated deferred tax assets & accumulated deferred tax liabilities recognised up to the current financial year is as under : -

S.No. Particulars	As At 31 st March, 2018		As At 31 st March, 2017	
	Accumulated Deferred tax Assets	Accumulated Deferred tax Liability	Accumulated Deferred tax Assets	Accumulated Deferred tax Liability
1. Unabsorbed depreciation and losses	—	—	—	—
2. Amount Add back u/s 43B Bonus Payable	3,58,722.00	—	4,04,474.00	—
Leave encashment payable	2,96,431.00	—	4,62,748.00	—
Gratuity Payable	7,33,187.00	—	3,34,267.00	—
3. Difference between book and tax depreciation	—	1,84,30,571.00	—	2,19,59,955.00
Total	13,88,440.00	1,84,30,571.00	12,01,489.00	2,19,59,955.00
Net Deferred Tax Liability	1,70,42,131.00		2,07,58,466.00	

The difference Deferred Tax Assets for the year ended 31st March, 2019 Rs. 37,16,336.00 has been debited to Profit & Loss Account.

Particulars
**Figure as at
31st March, 2019
Rs.**
**Figure as at
31st March, 2017
Rs.**
16. OTHER NON-CURRENT LIABILITIES

(i) Un-claimed Dividend (2010-11)	0.00	183218.00
(ii) Un-claimed Dividend (2011-12)	4,07,282.00	302332.00
Total	<u>4,07,282.00</u>	<u>485550.00</u>

CURRENT LIABILITIES:-
FINANCIAL LIABILITIES:-
17. CURRENT BORROWING

(i) Secured Working Capital Loan		
State Bank of India C/c A/c (Against Hypothecation of Stock)	3,07,21,394.38	4,10,93,229.54
State Bank of India Book Debts A/c (Against Hypothecation of Book Debts)	3,02,46,584.00	2,44,29,095.00
State Bank of India Slc A/c (Against Hypothecation of Stock & Book Debts)	653.00	2.00
Total	<u>6,09,68,631.38</u>	<u>6,55,22,326.54</u>

17. 1. Primary secured by the hypothecation of Company's entire current assets (both present and future) and the first charge on entire fixed assets of the Company inclusive of equitable mortgage of Factory land & building situated at E-14, Panki Industrial Area Kanpur, and first charge on entire fixed assets of the Company inclusive of equitable mortgage of factory land & building situated at KM-25/4, Kalpi Road, Rania Kanpur, also first charge on entire fixed assets of the Company inclusive of equitable mortgage of factory land & building situated at 91/2, Kunja Paonta shahib (H.P.). Loans are guaranteed by Directors Shri Shri Kapil Bhatia, Shri Neeraj Bhatia.

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NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	Figure as at 31st March, 2019 Rs.	Figure as at 31st March, 2018 Rs.
18. TRADE PAYABLES		
(i) Creditors For Raw Material & Stores	14,85,91,258.64	12,12,66,911.40
(ii) Creditors For Services	1,45,99,037.28	87,51,916.12
Total	<u>16,31,90,295.92</u>	<u>13,00,18,827.52</u>
19. OTHER CURRENT LIABILITIES		
(i) Statutory Liabilities	15,68,263.00	55,33,915.19
(ii) Creditors For Capital Supplies	2,30,988.00	5,74,555.60
(iii) Advance From Customers	66,08,949.00	24,39,989.00
(iv) Income Tax Payable	23,73,156.00	9,36,193.00
Total	<u>1,07,81,356.00</u>	<u>94,84,652.79</u>
20. CURRENT PROVISIONS		
(i) Provisions For Employee Benefits Gratuity Payable	26,35,468.00	13,99,595.00
Leave Encashment Payable	15,34,662.00	13,40,809.00
(ii) Other Provisions Provisions	79,49,903.85	79,11,059.60
Proposed Dividend Payable	39,38,511.00	0.00
Proposed Dividend Distribution Tax Payable	6,81,520.00	0.00
Total	<u>1,67,40,064.85</u>	<u>1,06,51,463.60</u>
21. REVENUE FROM OPERATIONS		
Gross Sales		
Sales Central (Coil Springs)	50,27,17,870.00	40,67,98,715.28
Sales Central (Forging Items)	10,28,42,782.00	7,29,47,272.00
Sales Central (Roofing Sheet)	0.00	24,32,552.00
Sales Central (Scrap)	22,56,853.00	35,98,833.00
Sales U. P. (Coil Springs)	23,47,85,442.00	14,13,31,126.00
Sales U. P. (Forging Items)	10,05,25,319.00	3,65,94,693.00
Sales U. P. (Roofing Sheet)	0.00	4,70,384.00
Sales H. P. (Roofing Sheet)	6,99,314.00	27,44,228.00
Sales U. P. (Scrap)	1,18,56,782.00	55,00,661.00
Sales H. P. (Scrap)	23,27,736.00	9,93,915.00
Sales Shop (Roofing Sheet)	5,50,234.76	15,26,094.89
Sample Sales	0.00	975.00
	<u>95,85,62,332.76</u>	<u>67,49,39,449.17</u>
Less : Sales Return	<u>(23,94,432.00)</u>	<u>(1,85,146.00)</u>
Total	<u>95,61,67,900.76</u>	<u>67,47,54,303.17</u>
Less : Central Excise Duty /GST	<u>(12,48,31,495.04)</u>	<u>(7,99,12,104.78)</u>
Total	<u>83,13,36,405.72</u>	<u>59,48,42,198.39</u>

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

Particulars	Figure as at 31st March, 2019 Rs.	Figure as at 31st March, 2018 Rs.
22. OTHER INCOME		
Interest On S.T.D.R. With S.B.I.	6,02,794.45	6,91,214.00
Interest on Security Deposit To H.P. Electric Board	5,072.00	0.00
Interest on Income Tax Refund	0.00	56,659.00
Interest Received on L/C Negotiation (On Sales)	3,35,870.00	5,24,753.00
Input Credit of Excise Duty on Stock	0.00	9,68,713.59
Jobwork Received	13,91,180.00	2,57,812.00
Rent Received From Work Shed	32,52,720.00	30,23,840.00
Profit on Sales of Assets	25,197.00	0.00
Gst Refund Recd. Agst. Excise Duty Exemption	14,17,164.00	0.00
Total	<u>70,29,997.45</u>	<u>55,22,991.59</u>
23. COST OF MATERIAL CONSUMED		
Raw Material Consumed		
Opening Stock	5,23,06,504.31	3,54,82,287.89
Add : Purchases (Including freight, intt.on L/C & Entry Tax)	39,36,98,469.74	25,64,30,686.63
Less :Closing Stock	7,23,86,396.81	5,23,06,504.31
Total	<u>37,36,18,577.24</u>	<u>23,96,06,470.21</u>
24. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-PROCESS		
Inventories (At Closing)		
Finished Goods	96,86,928.76	1,07,49,314.90
Finished Goods (Roofing Sheet)	5,62,472.19	4,56,708.91
Scrap	12,50,829.58	18,93,233.02
Stock-in- Process	8,03,23,393.41	6,61,73,970.60
	<u>9,18,23,623.94</u>	<u>7,92,73,227.43</u>
Inventories (At Commencement)		
Finished Goods	1,07,49,314.90	1,82,27,007.58
Finished Goods (Roofing Sheet)	4,56,708.91	13,53,852.72
Scrap	18,93,233.02	9,76,921.86
Stock-in- Process	6,61,73,970.60	8,47,88,879.47
	<u>7,92,73,227.43</u>	<u>10,53,46,661.63</u>
Total	<u>(1,25,50,396.51)</u>	<u>2,60,73,434.20</u>

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NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	Figure as at 31st March, 2019 Rs.	Figure as at 31st March, 2018 Rs.
25. EMPLOYEES BENEFIT EXPENSES		
Bonus	13,93,241.00	14,55,903.00
E.S.I.	7,76,066.00	8,04,738.00
Gratuity Insurance	31,35,468.00	15,02,339.00
Other Allowance To Staff	33,67,379.00	26,22,011.00
Insurance To Staff & Worker	41,416.00	0.00
Incentive To Staff	8,79,990.00	5,73,455.00
Leave Encashment	10,65,533.00	10,11,000.00
Medical Expenses	2,21,413.00	5,74,713.00
Provident Fund	27,82,377.00	27,72,531.00
Retainership Fee	1,06,500.00	1,19,000.00
Salary To Administrative & Sales Staff	99,76,904.00	86,45,754.00
Staff Fooding & Welfare	12,70,411.00	7,97,671.00
Staff Training Expenses	1,50,000.00	30,000.00
Total	<u>251,66,698.00</u>	<u>2,09,09,115.00</u>
26. FINANCE COST		
Bank Interest	56,72,167.50	83,49,061.08
Interest On Unsecured Loan	20,78,643.00	40,62,354.00
Bank Interest On L/C Negotiation (On Purchase)	5,64,309.21	8,14,335.00
Total	<u>83,15,119.71</u>	<u>1,32,25,750.08</u>
27. DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation	2,21,58,380.19	1,93,78,526.82
Total	<u>2,21,58,380.19</u>	<u>19,37,8526.82</u>
28. MANUFACTURING EXPENSES		
Electric Power & Fuel	6,29,87,160.91	4,70,68,389.30
Consumable Stores Consumed	3,56,66,021.64	2,86,48,677.41
Freight & Cartage	3,19,910.24	71,652.00
Generator Repairing & Maintenance	1,73,316.98	4,85,912.20
Jobwork Paid	2,92,65,425.44	1,06,18,843.30
Lab.expenses	65,704.36	31,108.74
Fooding & Labour Welfare	9,53,618.74	7,52,851.15
Loading & Shifting Charges	4,95,041.40	0.00
Machinery Maintenance	2,18,54,011.77	1,11,65,242.79
Wages & Salary	2,44,36,509.00	2,49,45,209.00
Other Allowances To Works Staff	15,75,254.00	0.00
Incentive To Worker	7,70,251.00	0.00
Watch & Ward	26,93,299.38	25,36,018.00
Weight & Measurement	13,790.00	12,770.00
Electrical Maintenance	24,20,259.62	19,76,148.04
Total	<u>18,36,89,574.48</u>	<u>12,83,12,821.93</u>

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	Figure as at 31st March, 2019 Rs.	Figure as at 31st March, 2018 Rs.
29. OTHER EXPENSES		
(a) Administrative Expenses		
Audit Fee (Statutory)	1,00,000.00	1,00,000.00
Audit Fee (Internal)	1,50,000.00	1,00,000.00
Audit Fee (Stock)	27,100.00	15,000.00
Audit Fee (Vat)	6,000.00	6,000.00
Bank Charges	33,27,824.19	49,37,878.90
Board Meeting Expenses	1,58,569.00	1,50,814.00
Building Repair & Maintenance	17,22,221.22	4,81,215.62
Business Promotion	3,13,405.33	10,27,076.79
Car Running Expenses	7,50,244.58	6,46,142.19
Certification Fee	1,28,350.00	32,285.00
Computer Expenses	4,30,130.96	3,27,290.72
Conveyance	20,03,722.37	16,46,504.00
Demarage & Other Deduction	1,77,26,258.59	80,34,381.00
Demond Of Cental Excise & Service Tax	2,41,391.00	0.00
Donation	73,501.00	13,700.00
Festival And New Year Expenses	12,07,067.38	8,84,262.06
Guest House Expenses	12,41,618.31	5,75,538.51
Hire Charges On Vehicle	10,92,767.30	7,64,709.67
Iso (Iso-9002)Cerificate Expenses	77,606.00	20,813.00
Administrative Expenses		
Inspection Charges	21,306.00	54,946.00
Insurance	8,79,826.82	7,96,510.59
Interest On Service Tax / Excise / Tds	3,564.00	6,237.00
Internet Expenses	1,20,580.03	1,30,594.01
Legal Expenses	42,560.00	1,61,036.00
Licence Fee (Factory Act & Others)	41,469.50	37,541.50
Loss On Sale Of Car / Plant & Machinary	5,52,017.00	5,06,933.57
Membership Fee	1,16,975.30	1,25,029.00
Misc.expenses	74,350.00	1,22,380.58
News Paper & Periodicals	19,080.00	17,536.00
Office Maintenance	11,45,221.58	6,88,616.44
Pooja Expenses	45,722.00	39,146.00
Postage & Stamp	4,04,999.30	2,68,086.00
Printing & Stationery	4,69,960.46	4,65,186.58
Professional Charges	7,06,547.60	6,61,250.00
Rates & Taxes	415758.78	97,529.35
Registration & Filing Fee	21,250.00	54,510.00
Shop Rent	1,46,100.00	3,52,918.00

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NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	Figure as at 31st March, 2019 Rs.	Figure as at 31st March, 2018 Rs.
Shop Maintenance	41,490.97	93,458.15
Demand On Sales Tax	4,99,707.00	57,833.00
Share Connectivity/ Maint.charges	1,10,993.21	1,06,562.81
Share/ Stock Listing Fee	2,50,000.00	2,59,000.00
Sundry Balance W/Off	2,307.83	8,061.46
Telephone Expenses	4,70,863.33	5,89,083.00
Travelling Expenses	18,85,301.67	13,64,749.58
Director Travelling Expenses	11,31,329.53	12,16,723.41
Foreign Travelling Expenses	11,27,057.86	6,79,560.73
Vehicle Repair & Maintenance	5,70,560.01	5,95,268.76
Total	4,20,94,677.01	2,93,19,898.98
(b) Payment To Directors		
Director's Remuneration	1,58,00,000.00	1,17,40,000.00
Contribution To National Pension Scheme	14,00,000.00	9,80,000.00
Director's Sitting Fee	2,85,000.00	2,50,000.00
Incentive To Director	1,00,58,379.00	52,22,453.00
Leave Encashment To Director	14,50,000.00	10,50,000.00
Leave Travelling Concesion To Director	5,00,000.00	2,00,000.00
Keyman Term Insurance For Director	4,00,377.74	0.00
Perquisites To Director	1,81,621.00	1,77,547.00
Total	3,00,75,377.74	1,96,20,000.00
(c) Selling & Distribution Exp.		
Advertisement & Publication	11,96,149.50	6,16,646.00
Central Sales Tax	0.00	42,58,789.00
Commission	1,84,83,843.37	67,95,841.81
Freight & Cartage Outward	1,82,33,012.66	1,48,30,151.17
Packing Material Consumed	2,47,79,368.43	1,88,64,150.42
Sample	61,808.00	99,646.00
Service Tax On Freight	0.00	1,35,598.00
Tender Fees	26,045.00	1,72,835.00
Value Added Tax (VAT)	0.00	32,01,587.39
Total	6,27,80,226.96	4,89,75,244.79
Total (a+b+c)	13,49,50,281.71	9,79,15,143.77

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	Figure as at 31st March, 2019 Rs.	Figure as at 31st March, 2018 Rs.
28.1 & 29.1 Value Of Power, Furnace Oil, Diesel Oil , Gas, Stores And Packing Material Consumed		
Power And Fuel:-		
Electric Power Used	4,11,55,527.00	3,23,16,805.00
Furnace Oil Consumed	1,68,25,707.48	1,00,80,248.68
Diesel For Generator Consumed	50,05,926.43	46,71,335.62
Total	6,29,87,160.91	4,70,68,389.30
(i) Furnace Oil Consumed		
Opening Stock	7,16,995.00	3,00,957.43
Add : Purchase (Including Freight & Entry Tax)	1,72,39,313.64	1,04,96,286.25
Less : Closing Stock	11,30,601.16	7,16,995.00
Total	1,68,25,707.48	1,00,80,248.68
(ii) Diesel For Generator Consumed		
Opening Stock	1,67,171.84	1,59,220.26
Add : Purchase (Including Freight & Entry Tax)	55,60,929.00	46,79,287.20
Less : Closing Stock	7,22,174.41	1,67,171.84
Total	50,05,926.43	46,71,335.62
(iii) Consumable Stores Consumed		
Opening Stock	1,35,37,348.60	1,67,37,669.52
Add : Purchase	3,41,24,628.75	2,54,48,356.49
Less : Closing Stock	1,19,95,955.71	1,35,37,348.60
Total	3,56,66,021.64	2,86,48,677.41
(iv) Packing Material Consumed		
Opening Stock	11,66,209.16	20,47,589.63
Add : Purchase	23,92,0,049.01	1,79,82,769.95
Less : Closing Stock	3,06,889.74	11,66,209.16
Total	2,47,79,368.43	1,88,64,150.42

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NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

29.2 Payment To Statutory Auditors :

Particulars	2018-19	2017-18
Audit fee	Rs. 1,00,000.00	Rs. 1,00,000.00
Service Tax / GST	0.00	18,000.00
Income Tax fee	Nil	Nil
Management Consultancy fee	Nil	NIL

29.3 Expenditure In Foreign Currency:

	2018-19	2017-18
Foreign Travelling Expenses	Rs. 11,27,057.86	Rs. 6,79,560.73

30. EARNING PER SHARE (EPS)

	2018-19	2017-18
N/P after tax available for Share holder	Rs. 8,51,43,565.23	Rs. 3,56,31,524.97
Weighted average No. of equity share outstanding during the year	Nos. 39,38,511	Nos. 39,38,511
Basic/Diluted earning per share	Rs. 21.62	Rs. 9.05

31. EARNING IN FOREIGN CURRENCY:

	2018-19	2017-18
Export Sales	—	—

32. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

The Company has not paid any dividend in respect of shares held by Non-Residents on repatriation basis. The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remittable in this respect is given herein below:

	2018-19 (Final Dividend)	2017-18 (Final Dividend)
a) Number of Non Resident Shareholders	—	—
b) Number of Equity Shares held by them	—	—
c) (i) Amount of Dividend Paid (Gross) (₹ in)	—	—
(ii) Tax Deducted at Source (₹ in)	—	—

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019
33. Related party disclosure :

Related Party	Relationship	Nature of transaction	Value (Amount Rs.)	Amount outstanding Receivable/Payable
Mr. Kundan Lal Bhatia	Key Management Person	Remuneration, LTC, Perquisites, E. Leave & Incentive	30,50,000.00	Cr. 1,36,431.00
Mr. Kapil Bhatia	Key Management Person	Remuneration, Perquisites, E. Leave, Contribution to NPS & Incentive	90,16,308.00	Cr. 10,73,444.75
Mr. Neeraj Bhatia	Key Management Person	Remuneration, Perquisites, E. Leave, Contribution to NPS & Incentive	89,59,782.00	Cr. 2,94,205.42
Smt. Mamta Bhatia	Key Management Person	Remuneration, E. Leave, Contribution to NPS & Incentive	43,30,000.00	Cr. 3,10,132.79
Smt. Manju Bhatia	Key Management Person	Remuneration, E. Leave, Contribution to NPS & Incentive	43,30,000.00	Cr. 4,24,566.27
Mr. Kapil Bhatia	Key Management Person	Interest on Deposits	2,94,431.00	NIL
Mr. Kapil Bhatia	Key Management Person	Interest on Deposits	58,48,721.00	NIL
Mr. Neeraj Bhatia	Key Management Person	Interest on Deposits	3,92,893.00	NIL
Mr. Neeraj Bhatia	Key Management Person	Interest on Deposits	63,99,412.00	NIL
Smt. Mamta Bhatia	Key Management Person	Interest on Deposits	2,13,812.00	-
Smt. Mamta Bhatia	Key Management Person	Interest on Deposits	21,50,000.00	Cr.12,32,197.00
Smt. Manju Bhatia	Key Management Person	Interest on Deposits	2,29,753.00	-
Smt. Manju Bhatia	Key Management Person	Interest on Deposits	20,10,000.00	Cr.17,09,100.00
M/s Vishpa Rail Equipments	Associate Concern Pvt. Ltd.	Interest on Deposits	9,47,254.00	-
M/s Vishpa Rail Equipments	Associate Concern Pvt. Ltd.	Re-payment of Deposits	1,42,21,583.00	NIL
M/s Frontier Alloy Steels Ltd	Associate Concern	Sales	12,83,22,826.00	Cr.1,64,43,415.00
M/s Frontier Alloy Steels Ltd	Associate Concern	Jobwork Recd.	7,16,874.00	NIL
M/s Frontier Alloy Steels Ltd	Associate Concern	Purchase	3,94,297.00	NIL
M/s Frontier Engineering	Associate Concern Corporation	Purchase	10,83,393.40	NIL
M/s Frontier Industries	Associate Concern	Land Purchase	57,60,668.00	NIL
M/s Vishpa Rail Equipments	Associate Concern Pvt. Ltd.	Rent Recd.	1,41,600.00	NIL
M/s Vishpa Rail Equipments	Associate Concern Pvt. Ltd.	Jobwork Paid	2,16,84,888.00	NIL
M/s P.C. Packagers	Associate Concern	Purchase	2,21,82,700.62	NIL
M/s P.C. Packagers	Associate Concern	Rent Recd.	70,800.00	NIL

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34. Payment made to/provided for Chairman, Managing Director / Whole Time Directors

	2018-2019	2017-2018
Remuneration :		
Chairman & Managing Directors	18,00,000.00	18,00,000.00
Other Directors	1,40,00,000.00	99,40,000.00
Incentives :		
Chairman & Managing Directors	6,00,000.00	6,00,000.00
Other Directors	94,58,379.00	46,22,453.00
Perquisites :		
Chairman & Managing Directors	NIL	NIL
Other Directors	1,81,621.00	1,77,547.00
Leave Travel Concession :		
Chairman & Managing Directors	NIL	2,00,000.00
Other Directors	NIL	NIL
Foreign Travelling Allowance :		
Chairman & Managing Directors	5,00,000.00	NIL
Other Directors	NIL	NIL
Earn Leave :		
Chairman & Managing Directors	1,50,000.00	1,50,000.00
Other Directors	9,00,000.00	4,70,000.00
Contribution to National Pension Scheme :		
Chairman & Managing Directors	NIL	NIL
Other Directors	14,00,000.00	9,80,000.00
Keyman Insurance :		
Chairman & Managing Directors	NIL	NIL
Other Directors	4,00,377.74	NIL

35. Other additional information pursuant to provisions of paragraphs 3 & 4 of Part II of Schedule VI of the Companies Act, 1956.

	2018-19	2017-18
i. Licensed Capacity (As certified by the management)	Not Applicable	Not Applicable
ii. Installed Capacity (As certified by the management)	7400 Mt. per annum on single shift of eight hour (5000 Mt. Coil spring, Leaves Spring & 1200 Mt. Forging items & 1200 Mt. Roofing Sheet)	7400 Mt. per annum on single shift of eight hour (5000 Mt. Coil spring, Leaves Spring & 1200 Mt. Forging items & 1200 Mt. Roofing Sheet)
iii. Production in Nos.	3,89,137.00	2,84,130.00
iv. Production in Sq. Meter	2,968.00	11,178

36. Other additional information pursuant to provisions of paragraph 3 & 4 of Part II of Schedule VI of the Companies Act, 1956.

i) Particulars in respect of sales (Refer notes below)

Class of Goods	U/N	31.03.2019		31.03.2018	
		Qty.	Amount	Qty.	Amount
Coil Springs Leaf Springs & Foreign items	Nos.	3,92,292	95,49,18,352.00	2,88,609	66,75,81,044.28
Roofing Sheets	Sq. Mt.	2,711	12,49,548.76	12,762	71,73,258.89
Total			95,61,67,900.76		67,47,54,303.17

Notes :-

The value of sales is stated :-

- (A) Inclusive of Sales Tax, Excise Duty & GST.
- (B) Inclusive items manufactured and sold only.
- (C) Net of Goods Returned.

ii) Quantitative details of Raw Materials Consumed :

Particulars	U/n	31.03.2019		31.03.2018	
		Qty.	Amount (Rs.)	Qty.	Value (Rs.)
a) Indigenous Springs Steel Round Billet & Bar	Mt.	5,494.102	37,20,47,670.23	4,247.494	23,49,08,791.87
b) Coil Sheet	Mt.	13,532	15,70,907.01	71.527	46,97,678.34
c) Imported		Nil	Nil	Nil	Nil
Total			37,36,18,577.24		23,96,06,470.21

iii) Percentage of imported & indigenous Raw Material, Spares, Components and Stores Consumed.

	2018-19	2017-18
Raw Materials imported	Nil	Nil
Raw Materials Indigenous	100%	100%
Spare Parts & Sets (Indigenous)	100%	100%

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iv. Quantitative details of finished goods

Particulars	2018-19 Nos.	2017-18 Nos.
Opening Stock (in Nos.)	7,978	12,457
Opening Stock (in Sq. Meter)	1,860	3,444
Closing Stock (in Nos.)	4,823	7,978
Closing Stock (in Sq. Meter)	2,117	1,860
Turnover (in Nos.)	3,92,292	2,88,609
Turnover (in Sq. Meter)	2,711	12,762

Notes :-

- (i) The quantitative details stated above are based on the certification given by the management.
- (ii) The installed capacity is not being verified by us as a technical matter and it is taken as certified by the management.
- (iii) The quantities have been shown to the nearest units.

As per our Report of even date.

For SANJEEVANI RAIZADA & CO.

Chartered Accountants

Firm Registration No. 021960C

SANJEEVANI RAIZADA

Proprietor

Membership No. 414542

Place : Kanpur

Date : 27.05.2019

For and on behalf of Board of Directors

K. L. BHATIA

Chairman & Managing Director

KAPIL BHATIA

Managing Director

DHRUV BHASIN

Company Secretary

NEERAJ BHATIA

CFO

SANJAY NIGAM

Manager Accounts



- SPRINGS FOR LHB COACHES.
- SPRINGS FOR ELECTRIC AND DIESEL LOCOMOTIVES.
- SPRINGS FOR FREIGHT WAGONS.
 - SPRINGS FOR SWITCH GEAR.
 - SPRINGS FOR ROAD CONSTRUCTION MACHINERY.
 - SPRINGS FOR BHEL POWER SECTOR.
 - FORGINGS FOR RAILWAYS AND HEAVY INDUSTRY.



Frontier Springs Ltd.

(Largest Manufacturer of Springs for LHB Coaches)

Registered Office & Works Address:

KM 25/4 Kalpi Road Rania Kanpur Dehat (U.P.) - 209304

Additional Works Address:

Rampur Ghat Road, Village Kunja Tehsil Paonta Sahib, Distt Sirmour (H.P.) - 173025

Corporate Office :

E-14, Panki Industrial Area, Site-1, Kanpur (U.P.) - 208022

E-mail: sales@frontiersprings.co.in, info@frontiersprings.co.in

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Website: www.frontiersprings.co.in