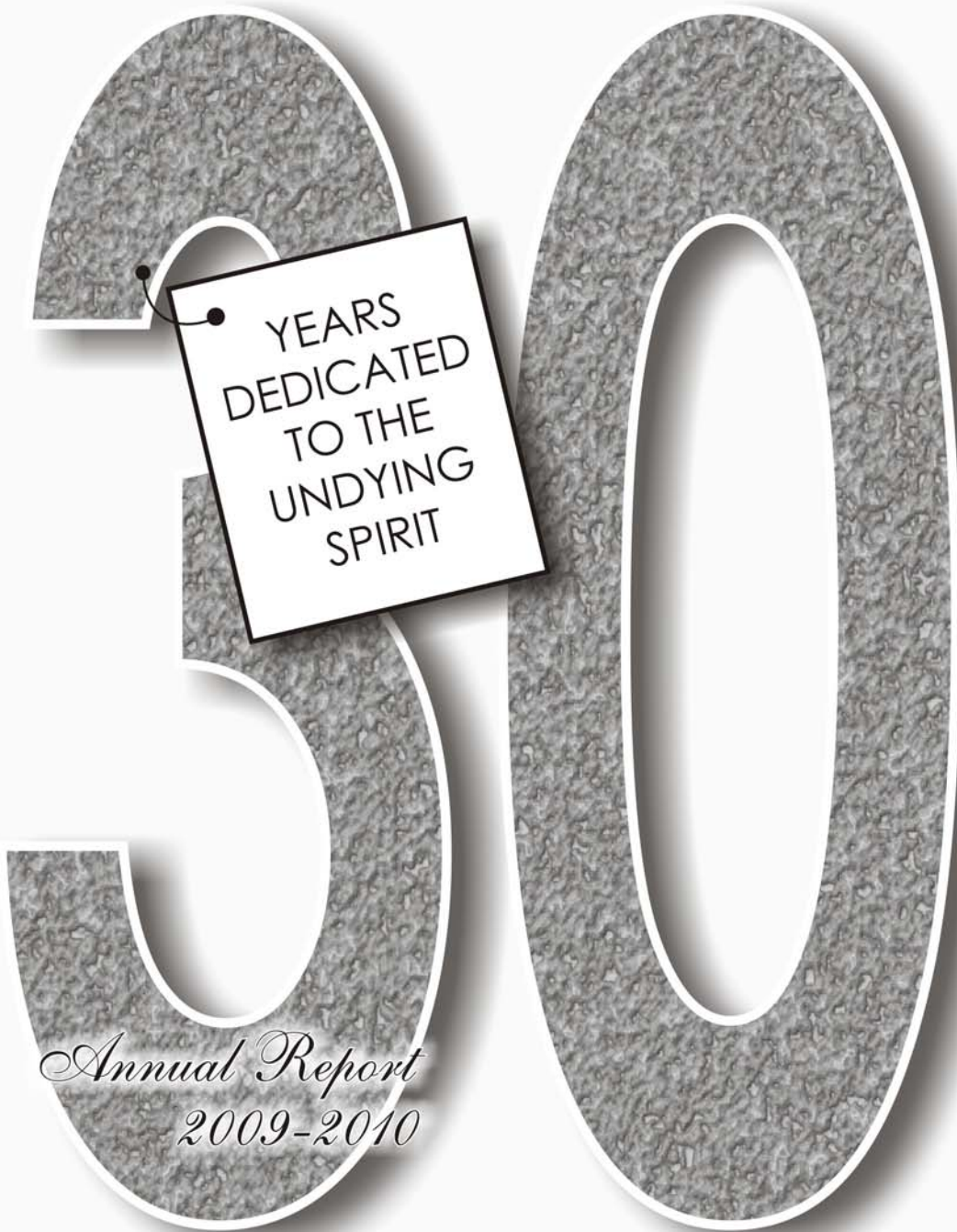
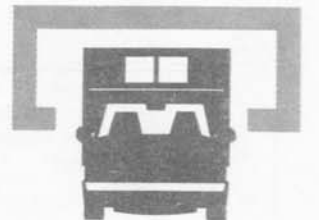


Frontier



YEARS
DEDICATED
TO THE
UNDYING
SPIRIT

Annual Report
2009-2010



**FRONTIER
SPRINGS LIMITED**



FRONTIER SPRINGS LIMITED

ANNUAL REPORT 2009-2010

BOARD OF DIRECTORS

Shri KUNDAN LAL BHATIA, *Chairman & Managing Director*

Shri KAPIL BHATIA, *Managing Director*

Shri NEERAJ BHATIA

Smt. SUSHMA BHATIA

Shri PREM SAGAR

Shri PRADEEP K. GOENKA

Shri R. K. BHATIA

Shri YASHPAL

COMPANY SECRETARY

Shri DEEPAK BHASIN

AUDITORS

M/s. SANJAY NANDINI & Co.

Chartered Accountants

OFF No. 229, 2nd FLOOR,

63/2, CITY CENTRE,

THE MALL,

KANPUR - 208 004

BANKERS

STATE BANK OF INDIA

INDUSTRIAL FINANCE BRANCH,

SARVODAYA NAGAR, KANPUR

REGISTRAR AND SHARE TRANSFER AGENT

(For Electronic Connectivity)

M/s. ALANKIT ASSIGNMENT LIMITED

205-208, ANARKALI MARKET

JHANDEWALAN EXTENSION

NEW DELHI-110 055

REGISTERED OFFICE

E-14, PANKI INDUSTRIAL AREA, SITE-1

PANKI, KANPUR-208 022

Website : <http://www.frontiersprings.co.in>

PLANTS

i) KM 25/4, KALPI ROAD, RANIA,
KANPUR DEHAT - 209 304 (U.P.)

ii) 91/2, VILLAGE KUNJA, NEAR DENTAL COLLEGE
PAONTA SAHIB (H.P.)

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THIRTIETH ANNUAL REPORT

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of FRONTIER SPRINGS LIMITED will be held on Thursday, 30th September, 2010 at 12.30 p.m. at the Registered Office of the Company at E-14, Panki Industrial Area, Site-I, Panki, Kanpur- 208022 to transact the following businesses :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and Profit and Loss Account for the financial year ended on that date together with Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Smt. Sushma Bhatia who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Shri. Prem Sagar who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, and to fix their remuneration, and for the purpose, to consider, and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 224 of the Companies Act, 1956, M/s Sanjay Nandini & Co., Chartered Accountants, Kanpur, the retiring Auditors be and are hereby reappointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual general Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to section 198, 309, 310, 311 and 317 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to necessary approval of shareholders, consent of the Company be and is hereby accorded for the increase in remuneration of Sh. K.L. Bhatia, Chairman cum Managing Director of the Company with effect from 1st April 2010 for the remainder term of his office up to 31st March 2012, including payment of remuneration on the terms and conditions set out below, with liberty to the Board of Directors to alter and vary the terms and conditions, not exceeding the limit specified under Schedule XIII of the Companies Act, 1956 or any statutory modification or re-enactment thereof : -

SALARY : Rs. 1,50,000 per month.

PERQUISITES : In addition to the salary, the Chairman cum Managing Director shall be entitled to following perquisites categorized in three Parts A, B & C as follows :

PART - A

Housing : The expenditure incurred by the Company on Gas, Electricity, water & furniture subject to maximum of Rs. 25,000/- p.m. and shall be valued as per Income-Tax Rules, 1962.

Medical Reimbursement : Expenses incurred for self and family subject to a ceiling of one month's salary per year to three months' salary in a block of three years.

Leave Travel Concession : Actual amount incurred in respect of leave travel for proceeding to any place in India for self and family once in a year shall be reimbursed, subject to ceiling of Rs. 2,00,000/- (Rupees Two Lacs) per annum. The entitlement for one year to the extent not availed shall be allowed to be accumulated up to next two years.

Entertainment expenses and other business expenses : Reimbursement of entertainment, travelling including foreign travel and all other expenses if any, actually and properly incurred for the business of the Company including reimbursement of travelling expenses of the family accompanying the Chairman cum Managing Director on any official trip.

Club Fee : Reimbursement of fees of clubs subject to maximum of four clubs. No admission and life membership fees will be paid.

Personal Accident Insurance : Premium not to exceed Rs. 4,000/- per annum.

PART - B

Contribution to (a) Provident Fund (b) Super Annuation Fund or Annuity fund as per Company's rules. These will not be included in the computation of the ceiling on perquisites to the extent either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity not exceeding half month's salary for each completed year of service.

PART - C

The Company shall provide a car with driver and telephone at the residence of the Chairman cum Managing Director. Provision of car for use of Company's business and telephone at residence will not be considered as perquisite. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Chairman cum Managing Director.

The Chairman cum Managing Director shall be entitled to leave with pay for a period not exceeding one month for every eleven months of services besides casual and sick leave. However, leave accumulated but not availed will be allowed to be encashed.

INCENTIVE

In addition to salary and perquisites as above, the Chairman cum Managing Director shall without any further approval of the Remuneration Committee, Board of Directors and shareholders of the Company as the case may be, also be entitled to have incentive from the Financial year commencing from 1st April 2010, to be determined in consultation with him at the end of each quarter in the Financial year provided that the aggregate amount of remuneration by way of salary, perquisites and incentive as above shall be subject to ceiling of Rs. 24,00,000/- per annum (Rupees Twenty Four Lacs) as remuneration in accordance with maximum limit of remuneration as may be permitted under Section II (B) of Part II of Schedule XIII to the Companies Act, 1956.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter, amend, vary, enhance or modify the scope and quantum of remuneration of Shri K.L. Bhatia as it may deem proper from time to time as shall be permissible and in conformity with applicable provisions of the Companies Act, 1956.”

MINIMUM REMUNERATION

“RESOLVED FURTHER THAT during the currency of tenure of appointment, whenever in any financial year, the Company has no profit or its profit are inadequate, the remuneration by way of Salary, Perquisites and Incentive as above shall be paid to Shri K.L. Bhatia Chairman and Managing Director as minimum Remuneration.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, proper and appropriate for giving effect to this resolution.”

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

“RESOLVED THAT pursuant to section 198, 309, 310, 311 and 317 and read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to necessary approval of shareholders, consent of the Company be and is hereby accorded for the re-appointment of Sh. Kapil Bhatia Managing Director of the Company with effect from 5th January 2009 for the remainder term of his office up to 4th January 2012 including payment of remuneration on the terms and conditions set out below, with liberty to the Board of Directors to alter and vary the terms and conditions, not exceeding the limit specified under Schedule XIII of the Companies Act, 1956 or any statutory modification or re-enactment thereof : -

SALARY : Rs. 1,25,000 per month.

PERQUISITES : In addition to the salary, the Managing Director shall be entitled to

following perquisites categorized in three Parts A, B & C as follows :

PART - A

Housing : The expenditure incurred by the Company on Gas, Electricity, water & furniture subject to maximum of Rs. 25,000/- p.m. and shall be valued as per Income-Tax Rules, 1962.

Medical Reimbursement : Expenses incurred for self and family subject to a ceiling of one month's salary per year to three months salary in a block of three years.

Leave Travel Concession : Actual amount incurred in respect of leave travel for proceeding to any place in India for self and family once in a year shall be reimbursed, subject to ceiling of Rs 2,00,000/-(Rupees Two Lacs) per annum. The entitlement for one year to the extent not availed shall be allowed to be accumulated up to next two years.

Entertainment expenses and other business expenses : Reimbursement of entertainment, travelling including foreign travel and all other expenses if any, actually and properly incurred for the business of the Company including reimbursement of travelling expenses of the family accompanying the Managing Director on any official trip.

Education Allowances : Reimbursement of Education expenses and all other related expenses for the purposes of education of the Children shall be reimbursed if any, actually and properly incurred.

Club Fee : Reimbursement of fees of clubs subject to maximum of four clubs. No admission and life membership fees will be paid.

Personal Accident Insurance : Premium not to exceed Rs. 4,000/- per annum.

PART - B

Contribution to (a) Provident Fund (b) Super Annuation Fund or Annuity fund as per Company's rules. These will not be included in the computation of the ceiling on perquisites to the extent either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity not exceeding half month's salary for each completed year of service.

PART - C

The Company shall provide a car with driver and telephone at the residence of the Managing Director. Provision of car for use of Company's business and telephone at residence will not be considered as perquisite. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.

The Managing Director shall be entitled to leave with pay for a period not exceeding one month for every eleven months of services besides casual and sick leave. However, leave accumulated but not availed will be allowed to be encashed.

THIRTIETH ANNUAL REPORT

INCENTIVE

In addition to salary and perquisites as above, the Managing Director shall without any further approval of the Remuneration Committee, Board of Directors and shareholders of the Company as the case may be, also be entitled to incentive from the Financial year commencing from 1st April 2010, to be determined in consultation with him at the end of each quarter in the financial year provided that the aggregate amount of remuneration by way of salary, perquisites and incentive as above shall be subject to ceiling of Rs. 24,00,000/- per annum (Rupees Twenty Four Lacs) as remuneration in accordance with maximum limit of remuneration as may be permitted under Section II (B) of Part II of Schedule XIII to the Companies Act, 1956.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to alter, amend, vary, enhance or modify the scope and quantum of remuneration of Sh. Kapil Bhatia as it may deem proper from time to time as shall be permissible and in conformity with applicable provisions of the Companies Act, 1956.”

MINIMUM REMUNERATION

“RESOLVED FURTHER THAT during the currency of tenure of appointment, whenever in any financial year, the Company has no profit or its profits are inadequate, the remuneration by way of Salary, Perquisites and Incentive as above shall be paid to Sh. Kapil Bhatia Managing Director as minimum Remuneration.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, proper and appropriate for giving effect to this resolution.”

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

“RESOLVED THAT pursuant to section 198, 309, 310, 311 and read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to necessary approval of shareholders, consent of the Company be and is hereby accorded for the re-appointment of Sh. Neeraj Bhatia, Whole Time Director of the Company with effect from 1st April 2010 for the remainder term of his office up to 31st March 2012 including payment of remuneration on the terms and conditions set out below, with liberty to the Board of Directors to alter and vary the terms and conditions, not exceeding the limit specified under Schedule XIII of the Companies Act, 1956 or any statutory modification or re-enactment thereof :-

SALARY : Rs. 1,25,000 per month.
PERQUISITES : In addition to the salary, the Whole Time Director shall be entitled to following perquisites categorized in three Parts A, B & C as follows:

PART - A

Housing : The expenditure incurred by the Company on Gas, Electricity, water & furniture subject to maximum of Rs.25,000/- p.m. and shall be valued as per Income-Tax Rules, 1962.

Medical Reimbursement : Expenses incurred for self and family subject to a ceiling of one month's salary per year to three months salary in a block of three years.

Leave Travel Concession : Actual amount incurred in respect of leave travel for proceeding to any place in India for self and family once in a year shall be reimbursed, subject to ceiling of Rs 2,00,000/-(Rupees Two Lacs) per annum. The entitlement for one year to the extent not availed shall be allowed to be accumulated up to next two years.

Entertainment expenses and other business expenses : Reimbursement of entertainment, travelling including foreign travel and all other expenses if any, actually and properly incurred for the business of the Company including reimbursement of travelling expenses of the family accompanying the Whole Time Director on any official trip.

Education Allowances : Reimbursement of Education expenses and all other related expenses for the purposes of education of the Children shall be reimbursed if any, actually and properly incurred.

Club Fee : Reimbursement of fees of clubs subject to maximum of four clubs. No admission and life membership fees will be paid.

Personal Accident Insurance : Premium not to exceed Rs. 4,000/- per annum.

PART - B

Contribution to (a) Provident Fund (b) Super Annuation Fund or Annuity fund as per Company's rules. These will not be included in the computation of the ceiling on perquisites to the extent either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity not exceeding half month's salary for each completed year of service.

PART - C

The Company shall provide a car with driver and telephone at the residence of the Whole Time Director. Provision of car for use of Company's business and telephone at residence will not be considered as perquisite. Personal long distance call on telephone and use of car for private purpose shall be billed by the Company to the Whole Time Director.

The Whole Time Director shall be entitled to leave with pay for a period not exceeding one month for every eleven months of services besides casual and sick leave. However, leave accumulated but not availed will be allowed to be encashed.

INCENTIVE

In addition to salary and perquisites as above, the Whole-

Time Director shall without any further approval of the Remuneration Committee, Board of Directors and shareholders of the Company as the case may be, also be entitled to incentive from the Financial year commencing from 1st April 2010, to be determined in consultation with him at the end of each quarter in the financial year provided that the aggregate amount of remuneration by way of salary, perquisites and incentive as above shall be subject to ceiling of Rs. 24,00,000/- per annum (Rupees Twenty Four Lacs) as remuneration in accordance with maximum limit of remuneration as may be permitted under Section II (B) of Part II of Schedule XIII to the Companies Act, 1956 "RESOLVED FURTHER THAT the Board of Directors of the Company be and hereby authorized to alter, amend, vary, enhance or modify the scope and quantum of remuneration of Sh. Neeraj Bhatia as it may deem proper from time to time as shall be permissible and in conformity with applicable provisions of the Companies Act, 1956."

MINIMUM REMUNERATION

"RESOLVED FURTHER THAT during the currency of tenure of appointment, whenever in any financial year, the Company has no profit or its profit are inadequate, the remuneration by way of Salary, Perquisites and Incentive as above shall be paid to Sh. Neeraj Bhatia Whole Time Director as minimum Remuneration."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, proper and appropriate for giving effect to this resolution."

8. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to section 198, 309, 310, 311 and read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to necessary approval of shareholders, consent of the company be and is hereby accorded hereby accorded for the re-appointment of Smt. Sushma Bhatia Whole-Time Director of the Company with effect from 5th January 2009 for the remainder term of her office up to 4th January 2012 including payment of remuneration on the terms and conditions set out below, with liberty to the Board of Directors to alter and vary the terms and conditions, not exceeding the limit specified under Schedule XIII of the Companies Act, 1956 or any statutory modification or re-enactment thereof : -

SALARY : Rs. 1,00,000 per month.

PERQUISITES : In addition to the salary, the Whole Time Director shall be entitled to following perquisites categorized in three Parts A, B & C as follows :

PART - A

Housing : The expenditure incurred by the Company on Gas, Electricity, water & furniture subject to maximum of Rs. 25,000/- p.m. and shall be valued as per Income-Tax Rules, 1962.

Medical Reimbursement : Expenses incurred for self and family subject to a ceiling of one month's salary per year to three months salary in a block of three years.

Leave Travel Concession : Actual amount incurred in respect of leave travel for proceeding to any place in India for self and family once in a year shall be reimbursed, subject to ceiling of Rs. 2,00,000/- (Rupees Two Lacs) per annum. The entitlement for one year to the extent not availed shall be allowed to be accumulated up to next two years.

Entertainment expenses and other business expenses : Reimbursement of entertainment, travelling including foreign travel and all other expenses if any, actually and properly incurred for the business of the Company. Including reimbursement of travelling expenses of the family accompanying the Whole Time Director on any official trip.

Club Fee : Reimbursement of fees of clubs subject to maximum of four clubs. No admission and life membership fees will be paid.

Personal Accident Insurance : Premium not to exceed Rs. 4,000/- per annum.

PART - B

Contribution to (a) Provident Fund (b) Super Annuation Fund or Annuity fund as per Company's rules. These will not be included in the computation of the ceiling on perquisites to the extent either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity, not exceeding half month's salary for each completed year of service.

PART - C

The Company shall provide a car with driver and telephone at the residence of the Whole Time Director. Provision of car for use of Company's business and telephone at residence will not be considered as perquisite. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Whole Time Director.

The Whole Time Director shall be entitled to leave with pay for a period not exceeding one month for every eleven months of services besides casual and sick leave. However, leave accumulated but not availed of will be allowed to be encashed.

INCENTIVE

In addition to salary and perquisites as above, the Whole-Time Director shall without any further approval of the Remuneration Committee, Board of Directors and shareholders of the Company as the case may be, also be entitled to incentive from the Financial year commencing from 1st April 2010, to be determined in consultation with

THIRTIETH ANNUAL REPORT

her at the end of each quarter in the financial year provided that the aggregate amount of remuneration by way of salary, perquisites and incentive as above shall be subject to ceiling of Rs. 15,00,000/- per annum (Rupees Fifteenth Lacs) as remuneration in accordance with maximum limit of remuneration as may be permitted under Section II (A) of Part II of Schedule XIII to the Companies Act, 1956.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter, amend, vary, enhance or modify the scope and quantum of remuneration of Smt. Sushma Bhatia as it may deem proper from time to time as shall be permissible and in conformity with applicable provisions of the Companies Act, 1956.”

MINIMUM REMUNERATION

“RESOLVED FURTHER THAT during the currency of tenure of appointment, whenever in any financial year, the Company has no profit or its profit are inadequate, the remuneration by way of Salary, Perquisites and Incentive as above shall be paid to Smt. Sushma Bhatia Whole-Time Director as minimum Remuneration.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, proper and appropriate for giving effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of section 314 of the Companies Act, 1956, and other applicable provisions, if any, of the Companies Act, 1956, and subject to necessary approval of shareholders, consent of the Company be and is hereby accorded to the appointment of Smt. Mamta Bhatia, a relative of Sh. Kapil Bhatia, Managing Director and Sh. Neeraj Bhatia, Whole time director of the Company, as an employee in the management cadre of the company, with the designation as the Manager Commercial of the Company with effect from 31st August, 2010 on a basic salary of Rs. 20,000 p.m. (in the scale of Rs. 20,000-5,000-50,000) together with the usual allowances and benefits applicable to employees occupying similar posts in the said management cadre including bonus, retiring gratuity and provident fund benefits, and that the directors be and they are hereby authorized to grant from time to time to Smt. Mamta Bhatia such increment or increments as the Directors may, in their discretion think fit but, so that her basic salary shall not exceed Rs.50,000/- per month.”

Registered Office :
E-14, Panki Industrial Area,
Site-1, Panki,
Kanpur-208022
Dated : 12.08.2010

By order of the Board

DEEPAK BHASIN

Company Secretary

NOTES :

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy in order to be effective must be deposited at the Registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
- The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business under item nos. 5 to 8 is annexed herewith.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 24th Sep. to 30th Sep. 2010 (both dates inclusive).
- Members holding shares in identical order of names in more than one folio are requested to write to the Company, enclosing the Share Certificates for consolidation of their holding into one folio.
- Members holding Shares in physical form may write to the Company for change in their address, if any, under their signature clearly quoting their folio numbers, old address along with the changed address with Pin Code, and Members holding Shares in electronic form may inform any change in address to their Depository Participants.
- Members holding Shares in electronic form are requested to provide their Client-ID and DP-ID numbers at the meeting for easy identification.
- Members desirous of obtaining any information/clarification concerning the Accounts and Operation of the Company are requested to address their queries in writing to the Company Secretary at least seven days before the Annual General Meeting, so that the desired information may be made available at the Annual General Meeting, if the Chairman permits to do so.
- The Shares of the Company are compulsorily tradable in demat form. The equity Shares of the Company have been assigned ISIN INE572D01014. Members are requested to get their Shares dematerialized at the earliest to make them tradable.
- The relevant details in respect of item No.2 and 3 pursuant to Clause 49 of the Listing Agreement are enclosed herewith marked as Annexure 'A' to this Notice.
- Corporate Members intending to send their Authorised Representative to attend the Meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2)
OF THE COMPANIES ACT, 1956.**

Item No. 5

Shri K.L. Bhatia is one of the founder Director of the Company and he has been instrumental in turning around the Company. The Board of the Directors of the Company at its meeting held on 30th May, 2009 had re-appointed him as a Chairman cum Managing Director of the Company with effect from 1st April, 2009 in accordance with the provisions of the Companies Act, 1956. The Shareholders in their Twenty Ninth Annual General Meeting held on 31st July 2009 had approved the appointment and remuneration payable to Shri K.L. Bhatia.

It is now proposed to increase the remuneration, payable to Shri K.L.Bhatia, Chairman cum Managing Director after obtaining shareholders approval for remaining term of his appointment with effect from 1st April 2010. The enhanced remuneration payable to Shri K.L.Bhatia is within the permissible limits specified in Schedule XIII of the Companies Act, 1956 which has been duly approved by remuneration committee and Board of Directors in their meetings held on 12.08.2010 respectively. The management believes that the proposed remuneration is comparable with respect to industry, size of the Company, profile of the position and person and is commensurate with the responsibility being shouldered in the Company and the size and extent of business operations.

INFORMATION PURSUANT TO CLAUSE B(iv) OF SECTION II OF PART II OF SCHEDULE XIII TO THE COMPANIES ACT, 1956.

I. GENERAL INFORMATION :

- (1) **Nature of industry :-**
Manufacturer of Railway Springs, and Other Springs.
- (2) **Date or expected date of commencement of commercial production :-**
Existing unit for more than 29 years.
- (3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :-**
Not applicable.
- (4) **Financial performance based on given indicators:-**

(Rs. in Lacs)

Financial Parameter	Years		
	2007-08	2008-09	2009-10
Turnover	2834.73	3019.72	3641.00
Net Profit (before Tax)	100.94	142.85	465.97

- (5) **Export performance and net foreign exchange collaborations:-**
Nil
- (6) **Foreign investments or collaborators, if any :-**
Nil

II. INFORMATION ABOUT THE APPOINTEE :

- (1) **Background details :-**
Mr. K.L. Bhatia is a Electrical Engineer and having more than 40 years of industrial experience in managing the operations of Frontier Group.
- (2) **Past remuneration :-**
Rs. 15,00,000/- p.a.
- (3) **Recognition or awards :-**
National Award for outstanding Entrepreneur awarded by Sh. Zail Singh, Hon'ble President of India, in the year 1984.

Udyog Patra awarded by Dr. S. D. Sharma, Hon'ble President of India, in the year 1995.
- (4) **Job profile and his suitability :-**
Subject to the overall control, supervision, directions and instructions of the Board of Directors of the Company, he looks after the day to day management of the Company.
- (5) **Remuneration proposed :-**
Salary plus Incentives based on performance Rs. 24,00,000/- p.a.
- (6) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) :-**
The proposed remuneration is in line with prevailing industry remuneration structure.
- (7) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any :-**
Apart from remuneration, he will be receiving dividends, if any, declared by the Company in respect of Shares held by him. He is also related to some of the Directors of the Company.

III. OTHER INFORMATION :

- (1) **Reasons of loss or inadequate profits :-**
The Company is making reasonable profits. The minimum remuneration clause is only to cover a situation of inadequate profits to cover the proposed remuneration.

THIRTIETH ANNUAL REPORT

(2) Steps taken or proposed to be taken for improvement :-

There is continuous efforts to improve the performance of the Company.

(3) Expected increase in productivity and profits in measurable terms :-

There is adequate production capacity. Since competition is becoming more and more severe, steps are being taken to improve the cost efficiency.

Your Directors recommends the proposed resolution for your approval.

None of the Directors of the Company except Shri K.L. Bhatia himself and Smt. Sushma Bhatia being related to him may be considered or interested in the resolution.

The resolution along with Explanatory Statement should be treated as abstracts of the variation in terms and conditions of appointments of Chairman, Managing director and Whole-Time Director within the meaning of Section 302 of the Companies Act, 1956.

Item No. 6

Shri Kapil Bhatia has been associated with the Company since last twenty three years and has rich experience in handling the financial as well as marketing operations of the Company. He streamlined the whole support organization, made it responsive, cost effective, profitable and scalable. The Board of the Directors of the Company at its meeting held on 30th May, 2009 had re-appointed him as Managing Director of the Company with effect from 1st April, 2009 in accordance with the provisions of the Companies Act, 1956. The Shareholders in their Twenty Ninth Annual General Meeting held on 31st July 2009 had approved the appointment and remuneration payable to Shri Kapil Bhatia.

It is now proposed to increase the remuneration, payable to Shri Kapil Bhatia, Managing Director after obtaining shareholders approval for remaining term of his appointment with effect from 1st April 2010. The enhanced remuneration payable to Shri Kapil Bhatia is within the permissible limits specified in Schedule XIII of the Companies Act, 1956, which has been duly approved by remuneration committee and Board of Directors in their meetings held on 12.08.2010 respectively. The management believes that the proposed remuneration is comparable with respect to industry, size of the Company, profile of the position and person and is commensurate with the responsibility being shouldered in the Company and the size and extent of business operation.

INFORMATION PURSUANT TO CLAUSE B(iv) OF SECTION II OF PART II OF SCHEDULE XIII TO THE COMPANIES ACT, 1956.

I. GENERAL INFORMATION :

(1) Nature of industry :-

Manufacturer of Railway Springs, and Other Springs.

(2) Date or expected date of commencement of commercial production :-

Existing unit for more than 29 years.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :-

Not applicable.

(4) Financial performance based on given indicators:-

(Rs. in Lacs)

Financial Parameter	Years		
	2007-08	2008-09	2009-10
Turnover	2834.73	3019.72	3641.00
Net Profit (before Tax)	100.94	142.85	465.97

(5) Export performance and net foreign exchange collaborations:-

Nil

(6) Foreign investments or collaborators, if any :-

Nil

II. INFORMATION ABOUT THE APPOINTEE :

(1) Background details :-

Mr. Kapil Bhatia is MBA and having more than 23 years of industrial experience in managing the operations of Frontier Group.

(2) Past remuneration :-

Rs.15,00,000/- p.a.

(3) Recognition or awards :-

Nil

(4) Job profile and his suitability :-

Subject to the overall control, supervision, directions and instructions of the Board of Directors of the Company, he looks after the day to day management of the Company.

(5) Remuneration proposed :-

Salary plus Incentives based on performance Rs. 24,00,000/- p.a.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) :-

The proposed remuneration is in line with prevailing industry remuneration structure.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any :-

Apart from remuneration, he will be receiving dividends, if any, declared by the Company in respect of Shares held by him. He is also related to some of the Directors of the Company.

III. OTHER INFORMATION :

(1) Reasons of loss or inadequate profits :-

The Company is making reasonable profits. The minimum remuneration clause is only to cover a situation of inadequate profits to cover the proposed remuneration.

(2) Steps taken or proposed to be taken for improvement :-

There is continuous efforts to improve the performance of the Company.

(3) Expected increase in productivity and profits in measurable terms :-

There is adequate production capacity. Since competition is becoming more and more severe, steps are being taken to improve the cost efficiency.

Your Directors recommend the proposed resolution for your approval.

Save and except Shri Kapil Bhatia himself and Shri Neeraj Bhatia being related to him, none of the other Director is, in any way, concerned or interested in the proposed resolution.

The resolution along with Explanatory Statement should be treated as abstracts of the variation in terms and conditions of appointments of Chairman, Managing Director and Whole-Time Director within the meaning of Section 302 of the Companies Act, 1956.

Item No. 7

Shri Neeraj Bhatia has been associated with the Company since last twenty years and is looking for manufacturing operations of the Company. He is very strong in the area of process implementation, methodologies, management training, cost control and building organizations. He is looking after all the Manufacturing activities of the Company and other related activities. The Board of the Directors of the Company at its meeting held on 30th May, 2009 had re-appointed him as a Wholetime Director of the Company with effect from 1st April, 2009 in accordance with the provisions of the Companies Act, 1956. The Shareholders in their Twenty Ninth Annual General Meeting held on 31st July 2009

had approved the appointment and remuneration payable to Shri Neeraj Bhatia.

It is now proposed to increase the remuneration, payable to Shri Neeraj Bhatia, after obtaining shareholders approval for remaining term of his appointment with effect from 1st April 2010. The enhanced remuneration payable to Shri Neeraj Bhatia is within the permissible limits specified in Schedule XIII of the Companies Act, 1956, which has been duly approved by remuneration committee and the Board of directors in their meetings held on 12.08.2010 respectively. The management believes that the proposed remuneration is comparable with respect to industry, size of the Company, profile of the position and person and is commensurate with the responsibility being shouldered in the Company and the size and extent of business operation.

INFORMATION PURSUANT TO CLAUSE B(iv) OF SECTION II OF PART II OF SCHEDULE XIII TO THE COMPANIES ACT, 1956.

I. GENERAL INFORMATION :

(1) Nature of industry :-

Manufacturer of Railway Springs, and Other Springs.

(2) Date or expected date of commencement of commercial production :-

Existing unit for more than 29 years.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :-

Not applicable.

(4) Financial performance based on given indicators:-

Financial Parameter	(Rs. in Lacs)		
	2007-08	2008-09	2009-10
Turnover	2834.73	3019.72	3641.00
Net Profit (before Tax)	100.94	142.85	465.97

(5) Export performance and net foreign exchange collaborations:-

Nil

(6) Foreign investments or collaborators, if any :-

Nil

II. INFORMATION ABOUT THE APPOINTEE :

(1) Background details :-

Shri Neeraj Bhatia is Post Graduate in Commerce and having more than 20 years of industrial

THIRTIETH ANNUAL REPORT

experience in managing the operations of the Company.

(2) Past remuneration :-

Rs. 15,00,000/- p.a.

(3) Recognition or awards :-

Nil

(4) Job profile and his suitability :-

Subject to the overall control, supervision, directions and instructions of the Board of Directors of the Company, he looks after the day to day management of the Company.

(5) Remuneration proposed :-

Salary plus Incentives based on performance Rs. 24,00,000/- p.a.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) :-

The proposed remuneration is in line with prevailing industry remuneration structure.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any :-

Apart from remuneration, he will be receiving dividends, if any, declared by the Company in respect of Shares held by him. He is also related to some of the Directors of the Company.

III. OTHER INFORMATION :

(1) Reasons of loss or inadequate profits :-

The Company is making reasonable profits. The minimum remuneration clause is only to cover a situation of inadequate profits to cover the proposed remuneration.

(2) Steps taken or proposed to be taken for improvement :-

There is continuous efforts to improve the performance of the Company.

(3) Expected increase in productivity and profits in measurable terms :-

There is adequate production capacity. Since competition is becoming more and more severe, steps are being taken to improve the cost efficiency.

Your Directors recommend the proposed resolution for your approval.

Save and except Shri Neeraj Bhatia himself and Shri Kapil Bhatia being related to him, none of the other Director is, in any way, concerned or

interested in the proposed resolution.

The resolution along with Explanatory Statement should be treated as abstracts of the variation in terms and conditions of appointments of Chairman, Managing director and Whole-Time Director within the meaning of Section 302 of the Companies Act, 1956.

Item No. 8

Smt. Sushma Bhatia has been associated with the Company since its inception. The Board of the Directors of the Company at its meeting held on 30th May, 2009 had re-appointed her as a Whole Time Director of the Company with effect from 1st April, 2010 in accordance with the provisions of the Companies Act, 1956. The Shareholders in their Twenty Ninth Annual General Meeting held on 31st July 2009 had approved the appointment and remuneration payable to Smt. Sushma Bhatia.

It is now proposed to increase the remuneration, payable to Smt. Sushma Bhatia, Whole Time Director after obtaining shareholders approval for remaining term of her appointment with the effect from 1st April 2010. The enhanced remuneration payable to Smt. Sushma Bhatia is within the permissible limits specified in Schedule XIII of the Companies Act, 1956, which has been duly approved by remuneration committee and the Board of directors in their meetings held on 12.08.2010 respectively.. The management believes that the proposed remuneration is comparable with respect to industry, size of the Company, profile of the position and person and is commensurate with the responsibility being shouldered in the Company and the size and extent of business operation.

Your Directors recommend the proposed resolution for your approval.

Save and except Mrs. Sushma Bhatia herself, none of the other Directors is, in any way, concerned or interested in the proposed resolution.

The resolution along with Explanatory Statement should be treated as abstracts of the variation in terms and conditions of appointments of Chairman, Managing director and Whole-Time Director within the meaning of Section 302 of the Companies Act, 1956.

Item No. 9

The Board of Directors has at its meeting held on 12th August, 2010 approved the appointment of Smt. Mamta Bhatia, a relative of Sh. Kapil Bhatia, Managing Director and Sh. Neeraj Bhatia, Whole Time Director of the company as "Manager-Commercial" w.e.f. 31st August, 2010 on a basic salary of Rs. 20,000 p.m. (in the scale of Rs.20,000-5,000-50,000) as per the rules of the company. Smt. Mamta is a graduate and has a vast experience as a commercial tax / law advisor.

As the total monthly remuneration payable to Smt.

Mamta Bhatia is Rs. Rs.20,000 p.m. (in the scale of Rs.20,000-5,000-50,000), approval of the shareholders by way of special resolutions is required as per the provisions of Section 314 of the Companies Act, 1956. The Board is also authorized to increase the remuneration upto Rs.50000/- p.m. in any financial year as per the rules of the company.

Your Directors, recommends the proposed resolution for your approval.

A copy of the letter of appointment dated 12.08.2010 issued to Smt. Mamta Bhatia will be open for inspection by the members at the Registered Office of the Company

during business hours on any working day of the Company upto and including the date of the Annual General Meeting.

None of the Directors, other than Sh. Kapil Bhatia and Sh. Neeraj Bhatia may be considered to be interested in the passing of the proposed resolution.

Registered Office :
E-14, Panki Industrial Area,
Site-1, Panki,
Kanpur-208022
Dated : 12.08.2010

By order of the Board

DEEPAK BHASIN

Company Secretary

THIRTIETH ANNUAL REPORT

DIRECTORS' REPORT

Dear Shareholders,

Your directors have pleasure in presenting the Thirtieth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2010.

FINANCIAL RESULTS

Particulars	2009-10	2008-09
Turnover	3641.00	3019.73
Profit Before Int., Dep., & Tax	561.47	233.59
Interest	41.84	35.82
Depreciation	53.67	38.95
Profit/(loss) Before Tax	465.97	158.82
Income Tax :		
Current year Tax	125.63	58.16
Fringe Benefit Tax	0.00	2.94
Deferred Tax	42.68	(6.86)
Income Tax for previous year	1.10	3.63
Profit/(Loss) After Tax	296.53	100.94
Profit/(Loss) B/F from P.Y.	337.27	236.32
Profit/(Loss) transferred to Reserves & Surplus	633.79	337.27

OPERATIONS

The operation of the Company during the financial year under review improved with turnover of Rs. 3641.00 Lacs as against Rs. 3019.73 Lacs in preceding year. The net profit during the year was higher at Rs. 465.97 Lacs as against Rs. 158.82 Lacs in the preceding year despite increase in the input cost. The improvement in the turnover had been mainly on account of improvement in the operational efficiency.

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

DIVIDEND

As already reported in the previous year's Directors' Report, your Company has started the production and execution of order at new unit at Poanta Sahib, Himachal Pradesh. Due to initial stage of production at the new unit, and to conserve resources for general corporate needs of the company and to consolidate the financial position of the company, your Directors consider it prudent not to recommend any dividend for the year. But your Directors are hopeful, far seeing the performance of the company that they would be in a position to recommend dividend in near future.

EXPANSION

(1) As already reported in the previous year's Directors' Report, your Company has completed all the formalities for obtaining approval of Research Design & Stan-

dard Organization (R.D.S.O.) for manufacturing of 'Air Suspension Springs' and will be getting its approval any time. And your company has also entered into a Technical know-how agreement with M/s Chenguang Rubber Co. Ltd. China to obtain the foreign technology for manufacturing of 'Air Suspension Springs' for Indian Railways. The product will soon be supplied to Indian Railways on test basis and Company expects to receive further orders in future.

(2) As already reported in the previous year's Directors' Report, your Company has completed the setting up of fabrication unit for manufacturing of Fabricated Components such as Break Beam & Liners for locomotive, coaches and wagons and has obtained the approval of R.D.S.O. Lucknow, and will be supplying the same.

(3) Your Company has started manufacturing of condenser and assembly for supply to BHEL Bhopal.

DIRECTORS

Pursuant to the provisions of the Companies Act, 1956 and Articles of the Association of the Company, Smt. Sushma Bhatia and Sh. Prem Sagar, Directors of the Company retire from the Board by rotation and being eligible they have offered themselves for re-appointment.

AUDITORS

The term of the present auditor of the Company, M/s Sanjay Nandini & Co., Chartered Accountants, Kanpur, expires at the conclusion of this Annual General Meeting and being eligible they have confirmed their willingness to accept office, if re-appointed. The Board recommends their appointment.

PARTICULARS OF EMPLOYEES

As none of the employees of the Company was in receipt of remuneration in excess of limit prescribed, information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 is not required to be given.

DIRECTORS RESPONSIBILITY STATEMENT

In the term of the Section 217(2AA) of the Companies Act, 1956, the Directors of the company state in respect of the year ended 31st March, 2010 : -

- That in preparation of Annual Account, the applicable Accounting Standards have been followed along with proper explanation relating to material departure.
- That 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 year.
- That they have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provision of the Companies Act, 1956, for safeguarding the Assets of the Company

and for preventing and detecting the fraud and other irregularities.

- (d) That they have prepared Annual Accounts on going concern basis.

INFORMATION/ EXPLANATION ON ADVERSE REMARKS IN AUDITORS' REPORT

Explanation to point (1)

Since our customers are Indian Railways and other government department, hence it is not possible to have confirmation of reconciliation statement from them because they follow the practice of acceptance of goods and payment of bills. However our accounts are still reconciled with the books and invoice.

In case of creditors our major creditors are reconciled and some are not reconciled because of non-availability of account statement.

Explanation to point (2)

Since in our Company costing system is not followed because costs are variable according to drawing and design and it is not possible to adopt the same. Hence the Company values the finished goods as net realizable cost since past. And Income Tax and Excise department also accept this method.

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

As per the requirements of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are annexed hereto-forming part of this Report.

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members of Frontier Springs Limited,

We have examined all the relevant records of Frontier Springs Limited ("The Company") for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges for the Financial year ended 31st March, 2010.

The compliance of the conditions of the Corporate Governance is the responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither audit nor an expression of the opinion on Financial Statements of the Company.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, Management Discussion and Analysis, Corporate Governance Report together with the Auditors' Certificate on compliance of the conditions of Corporate Governance form part of this Annual Report.

LISTING INFORMATION

The Company's Shares are presently listed at 'The Uttar Pradesh Stock Exchange Association Ltd.', Kanpur, being the Regional Stock Exchange, as well as the Bombay Stock Exchange Ltd., Mumbai. The Equity Shares of the Company have been de-listed from the Delhi Stock Exchange Association Limited, New Delhi, Ahmedabad Stock Exchange; de-listing certificate from Calcutta Stock Exchange is awaited. The Listing fees to the Stock Exchanges have been paid up to date.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their appreciation for the co-operation and support extended by Indian Railways and other departments of Central and State Government, Financial Institutions, Bankers and Business Associates.

Your Directors also wish to place on record their appreciation to all the employees for their sincere and dedicated services rendered to the Company and are also grateful to all the members of the Company for reposing continued trust and confidence in the Management of the Company.

Place : Kanpur
Date : 12.08.2010

For and on behalf of the Board
K. L. BHATIA
Chairman and Managing Director

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

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

For S. K. GUPTA & CO.
Company Secretaries
S. K. GUPTA
Managing Partner
FCS 2589

Place : Kanpur
Date : 12.08.2010

THIRTIETH ANNUAL REPORT

ANNEXURE-I

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES, 1988 FOR THE YEAR ENDED 31ST MARCH, 2010.

I. CONSERVATION OF ENERGY

The Operations of your Company do not consume high levels of energy. However, wherever possible, adequate measures have been taken to conserve energy :-

- | | |
|--|--|
| (a) Energy Conservation Measures Taken | Optimum utilization of Heat treatment furnace.
The Company is also pursuing for an Agreement with Gas Authority of India (GAIL) for supply of CNG which will not only reduce the energy consumption but will also help in preserving and maintaining ecological balance and promoting environmental protection. |
| (b) Additional Investment and proposals, If any, being implemented for reduction of consumption of energy. | The Company is constantly on the watch for various modes and areas of Conservation of Energy, investments, therefore, will be considered after identification of such areas. |
| (c) Impact of the measures taken above | The adoption of energy conservation measures as mentioned above have resulted in substantial saving of energy and has consequently caused a reduction in the cost of goods produced. |
| (d) Total energy consumption and energy consumption per unit of production | As the Company is not engaged in any Scheduled Industry, the details relating energy conservation in the prescribed Form 'A' being inapplicable are not given. |

FORM 'B'

II. TECHNOLOGY ABSORPTION RESEARCH & DEVELOPMENT

(a) Specific Areas in which R & D carried out by the Company

The Company is having an ongoing process of Research and Development where regular studies and exploration is carried out for introduction of new products and minimization of by production of waste during various processes.

(b) Expenditure on R & D

As the Company has inducted latest technology and installed modern Plant & Machinery, the expenses involved in Research & Development are not significant, therefore, the same have not been accounted for separately.

(c) Technology Absorption, Adaptation and Innovation

(i) Efforts in brief, made towards technology absorption, adaptation and innovation :

The Company has inducted the latest technology in the Plant, which has been fully absorbed.

(ii) Benefits derived as a result of the above efforts :

Keeping in view the prospects and demand of Indian Railways, the Company has been successful in obtaining the ISO 14001:2004 certificate from QSI America, certifying the establishment of 'Environment Management System' for both of its unit at Kanpur and Paonta Sahib.

(iii) Technology Imported – NIL

III. FOREIGN EXCHANGE EARNING AND OUTGO

The Company is exploring the possibilities of exporting its products to other Countries for which due studies are being conducted. The details relating to foreign exchange earnings and outgo are as under :-

	(Rs. in Lacs)	
	Current Period (2009-10)	Previous Period (2008-09)
A) Foreign Exchange Earnings	4.43	—
B) Foreign Exchange Outgo (On foreign travelling)	10.11	3.76

Place : Kanpur
Date : 12.08.2010

For and on behalf of the Board
K.L.BHATIA
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE & DEVELOPMENTS

The Company is engaged in manufacture of Coil and Leaf springs. 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 some profitable orders from Indian Railways and other parties 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.

High level of steel production in China and other countries has resulted in additional outflow of support ingredients. Keeping this in view, the Company is making continuous efforts to develop new export market and expand the existing ones. The Company believes that over a period of time, its thrust on exports will yield good results.

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

Currently, the Company perceives the following main business risks :

- a) High price volatility remains a major cause of concern;

- 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.

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REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

The Board of Directors and the Management of Frontier Springs Limited commit themselves to attainment of high level of transparency, accountability and equity towards its stake holders, including Shareholders, Bankers/ Financial Institutions, Employees, Lenders and the Government. Your management wishes compliance not just letter of the law but reaching out to the true spirit of the law.

BOARD OF DIRECTORS

Composition of the Board (F.Y. 2009-10) :

Name of Director (s)	Designation	Category	No. of Shares held in the Company	Share as a percentage of total number of Shares
Sh. Kundan Lal Bhatia	Chairman & Managing Director	Promoter/ Executive	130090	3.30
Sh. Kapil Bhatia	Managing Director	Promoter/ Executive	50728	1.29
Sh. Neeraj Bhatia	Whole Time Director	Promoter/ Executive	41705	1.06
Smt. Sushma Bhatia	Whole Time Director	Promoter/ Executive	95782	2.43
Sh. Prem Sagar	Director	Independent	Nil	Nil
Sh. Pradeep K. Goenka	Director	Independent	Nil	Nil
Sh. R. K. Bhatia	Director	Independent	Nil	Nil
Sh. Yashpal	Director	Independent	Nil	Nil

Attendance at Board Meetings and last AGM and details Membership of Directors in other Boards and Board Committees :

Name of Director	Attendance Particulars		Number of other Directorships and Committee Membership/ Chairmanship		
	No. of Board Meeting	Last AGM Attended	Other Directorship	Committee Membership	Committee Chairmanship
K. L. Bhatia	4	YES	1	1	-
Kapil Bhatia	4	YES	-	1	1
Neeraj Bhatia	2	YES	-	-	-
Sushma Bhatia	4	YES	-	-	-
Prem Sagar	3	YES	1	-	-
Pradeep K. Goenka	4	YES	9	7	2
R. K. Bhatia	2	YES	-	3	-
Yashpal	4	YES	-	3	2

Details of Board Meetings held during the year 2009-2010 :

Date of Meeting	No. of Directors Present
30.05.09	7
31.07.09	8
26.10.09	7
30.01.10	5

The last AGM was held on 31.07.2009.

AUDIT COMMITTEE**Terms of reference**

The terms of reference stipulated by the Board to the Audit Committee as are contained under clause 49 of the Listing Agreement;

Oversight of the Company's financial reporting process and disclosure of its financial information.

Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment for any other services.

Reviewing with management the annual financial statements before submission to the Board.

Reviewing with the management, external and internal auditors adequacy of internal control systems.

Reviewing of the adequacy of internal audit function.

Discussion with internal auditors on any significant findings and follow up thereof.

Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularities or a failure of internal control systems of a material nature and reporting the matter to the Board.

Discussion with external auditors before the audit commences, nature and scope of the auditors well as post audit discussion to ascertain any area of concern.

Reviewing the Company's financial and risk management policies.

To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

Composition, Number of Meetings and Attendance

Name	Position	Category	Attendance during the year 2009-10
Shri P. K. Goenka	Chairman	Independent and Non Executive Director	4
Shri Yashpal	Member	Independent and Non Executive Director	4
Shri R. K. Bhatia	Member	Independent and Non Executive Director	2

The Company Secretary acts as Secretary to the Audit Committee. During the year 2009-10, the Committee met four times on 30th May, 2009, 31st July, 2009, 26th Oct., 2009 and 30th January 2010 respectively.

REMUNERATION COMMITTEE**Terms of reference**

The scope of such Committee, inter-alia, includes the determination on behalf of the Board/shareholders with agreed terms of reference, the Company's policies on specific remuneration packages for Executive Directors.

Composition, Number of Meetings and Attendance

Name	Position	Category	Attendance during the year 2009-10
Shri P. K. Goenka	Chairman	Independent and Non Executive Director	1
Shri Yashpal	Member	Independent and Non Executive Director	1
Shri R. K. Bhatia	Member	Independent and Non Executive Director	–

The Company Secretary acts as Secretary to the Remuneration Committee. During the year 2009-10, the Committee met once on 30th May, 2009.

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The details of remuneration paid to all Directors during the year 2009-10 :

Sr. No.	Name of Director	Remuneration (Rs. in lacs)			
		Sitting Fees	Salary	Perquisites	Incentive
1.	Shri K. L. Bhatia	—	8.70	0.72	5.58
2.	Shri Kapil Bhatia	—	6.90	0.50	7.60
3.	Shri Neeraj Bhatia	—	6.90	0.50	7.60
4.	Smt. Sushma Bhatia	—	4.50	1.44	3.78
5.	Shri Yashpal	0.16	—	—	—
6.	Shri Pradeep K. Goenka	0.16	—	—	—
7.	Shri Prem Sagar	0.12	—	—	—
8.	Shri R. K. Bhatia	0.08	—	—	—

INVESTORS' GRIEVANCE COMMITTEE

Terms of reference

The Investors' grievance committee looks into the redressal of Shareholders' complaints/ grievances, non-receipt of Balance Sheet, non-receipt of declared dividend, confirmation of transfer/ transmission of shares etc.

Composition and Attendance at the meeting

Name	Position	Category	Attendance during the year 2009-10
Shri Yashpal	Chairman	Independent and Non Executive Director	4
Shri Pradeep K. Goenka	Member	Independent and Non Executive Director	4
Shri R. K. Bhatia	Member	Independent and Non Executive Director	2

The Company Secretary acts as Secretary to the Audit Committee. During the year 2009-10, the Committee met four times on 30th May, 2009, 31st July, 2009, 26th Oct., 2009 and 30th January, 2010 respectively.

Details of shareholders' complaints during the year 2009-10

The total numbers of complaints/ queries received and replied to the satisfaction of shareholders during the year 2009-10 were 49. There were no outstanding complaint/ queries as on 31st March 2010.

There were no pending share transfers in physical as well as in Demat category. All the requests received up to 31st March 2010 for share transfer have been processed within stipulated time.

CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT

The Board at its meeting held on 29th Oct. 2005, has adopted the 'Code of Business Conduct and Ethics for Directors and senior Management' (the Code) as recommended by the Corporate Governance Shareholders' Committee. This Code is a comprehensive Code applicable to all Directors, Executives, Non-executive as well as all the members of Senior Management / officers of the Company. The Code while laying down, in detail, the standards of business conduct, ethics and governance, centers around the following theme : -

"The Company's Board of Directors and Officers are expected to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working on the Company's premises, at offsite locations where the Company's business is being conducted, at Company sponsored business and social events, or at any other place where officers are representing the Company.

Honest and ethical conduct free from fraud or deception and conforming to the accepted professional standards of conducts and as also to reflect corporate, legal and regulatory developments.

This code should be adhered to in letter and in spirit."

This Code has been circulated to all the members of the Board and Senior Management / Officers of the Company and the compliance of the same has been affirmed by them. A declaration signed by the Chairman and Managing Director is given below :

I hereby confirm that :

The Company has obtained from all the members of the Board and Senior Management / Officers of the Company, affirmation that they have complied with the 'Code of Business Conduct and Ethics' for Directors and Senior Management / Officers in respect of the financial year 2009-10.

K.L.Bhatia

Chairman & Managing Director

CEO/CFO CERTIFICATION

We, Kapil Bhatia, Managing Director and Neeraj Bhatia, Chief Financial Officer of the Frontier Springs Ltd. hereby certify that :-

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

For Frontier Springs Limited

Place : Kanpur

Date : 12.08.2010

Kundan Lal Bhatia

Chairman & Managing Director

Neeraj Bhatia

Chief Financial Officer

GENERAL BODY MEETINGS

Location and time for last three Annual General Meetings :

Year	Date	Location	Time
2006-07	31.07.2007	Regd. Office- Kanpur	12:30 P.M
2007-08	31.07.2008	Regd. Office- Kanpur	12:30 P.M
2008-09	31.07.2009	Regd. Office- Kanpur	12:30 P.M

DETAILS OF SPECIAL RESOLUTION PASSED BY THE COMPANY IN THE PRECEDING THREE ANNUAL GENERAL MEETINGS

S.No.	Year	Date of AGM	Special Resolution passed at the AGM
1.	2006-07	31.07.2007	NIL
2.	2007-08	31.07.2008	NIL
3.	2008-09	31.07.2009	NIL

THIRTIETH ANNUAL REPORT

POSTAL BALLOT

■ Whether Special Resolutions were put through postal ballot last year	No
■ Details of voting pattern	N.A
■ Person who conducted the Postal ballot exercise	N.A
■ Are proposed to be conducted through postal ballot	N.A
■ Procedure for postal ballot	N.A

DISCLOSURES

No transaction of materially significant nature with any related parties has been effected during the year under review that may have potential conflict with the interest of the Company at large. However, all the related party transactions are disclosed in Note 'Q' of the notes to the Account and are contained in the report.

The Stock Exchanges or SEBI or any statutory authorities on any matter related to Capital market have imposed no penalties or strictures on the Company. The company has complied with the non-mandatory requirements relating to the Remuneration committee to the extent detailed above and has not complied with the other non-mandatory requirements.

MEANS OF COMMUNICATION

The Un-audited Financial Results (Prov.) for every quarter have been communicated to the Stock Exchanges where the Company's shares are listed duly approved and taken on record by the Board of Directors of the Company. Further it had also been published within 48 hours in the Times of India, Poiner, Amar Ujala, Aaj, Business Standard, Hindustan Kanpur.

SHAREHOLDERS' INFORMATION

A. Date, Time and Venue of the Annual General Meeting :

Date – 30th September, 2010

Time – 12:30 P.M.

Venue – Regd. Off. being E-14, Panki Industrial Area, Site-1, Kanpur-208022.

B. Particular of Financial Calendar

Financial Year - 1st April to 31st March

First Quarter - 1st April to 30th June

Second Quarter - 1st July to 30th September

Third Quarter - 1st October to 31st December

Fourth & Final Quarter - 1st January to 31st March

C. Date of Book Closure : From 24th September to 30th September, 2010 (both days inclusive).

D. Listing of Equity Shares on Stock Exchanges and Payment of Listing Fee :

The U. P. Stock Exchange Association Ltd., Kanpur (Regional Stock Exchange)

The Bombay Stock Exchange Ltd., Mumbai (Stock Code – 522195)

The Annual Listing Fee for the year 2008-09 (as applicable) has been paid by the Company to the Stock Exchanges. Delisting Certificate from Calcutta Stock Exchange is awaited.

E. Demat Arrangement with NSDL & CDSL

Demat ISIN – INE572D01014

F. Share transfer system is in compliance of SEBI requirement. Share Transfer is entertained, both under Demat form and Physical form. Share Transfer in respect of physical stocks is normally affected within a maximum period of 30 days from the date of receipt.

G. DISTRIBUTION OF HOLDING

Shares holding of nominal value of	Shareholders					Shares Amount				
	Physical Number	NSDL Number	CSDL Number	Total Number	% %	Physical (in Rs.)	NSDL (in Rs.)	CDSL (in Rs.)	Total (in Rs.)	% %
1 to 5,000	3237	979	214	4430	91.134	4946550	1691620	414240	7052410	17.906
5,001 to 10,000	91	84	23	198	4.073	804600	687560	198500	1690660	4.293
10,000 to 20,000	25	50	9	84	1.728	347400	775890	122040	1245330	3.162
20,001 to 30,000	11	21	5	37	0.761	290000	541800	121650	953450	2.421
30,001 to 40,000	8	6	1	15	0.309	289000	214150	32000	535150	1.359
40,001 to 50,000	6	10	1	17	0.35	284000	464210	50000	798210	2.027
50,001 to 100,000	15	4	2	21	0.432	999700	284000	119060	1402760	3.562
100,001 to above	27	28	4	59	1.214	9377300	15784730	545110	25707140	65.271
Total	3420	1182	259	4861	100.00	17338550	20443960	1602600	39385110	100.00

H. CATEGORIES OF SHAREHOLDING

Category	Total Shares	% to Total Shares
Promoter	2036315	51.70
Banks	2200	.006
Bodies Corporate	330204	8.38
Indian Public	1559792	39.60
NRIs/OCBs	10000	0.25
Total	3938511	100.00

I. SHARE PRICE DATA

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)	Spread High-Low	Spread Close-Open
Apr-09	14.65	15	14.11	14.25	17	8	243	0.89	-0.4
May-09	13.6	13.6	10.46	11.55	5778	48	71390	3.14	-2.05
Jun-09	12.12	17.49	12.1	15	11796	77	165387	5.39	2.88
Jul-09	14.5	14.5	11.05	12.79	8005	68	102857	3.45	-1.71
Aug-09	13.42	17.93	13.42	15.75	18308	137	289020	4.51	2.33
Sep-09	15.75	21.5	15.75	20	70269	265	1324901	5.75	4.25
Oct-09	20	26.85	18.3	26.25	100876	356	2308642	8.55	6.25
Nov-09	25.25	32.95	23.95	28.95	120764	439	3531376	9	3.7
Dec-09	30.25	36.05	28.05	31	114209	591	3706273	8	0.75
Jan-10	32.3	43.05	28.55	31	107403	723	3893591	14.5	-1.3
Feb-10	28.55	34.2	26.3	29.5	91753	466	2859610	7.9	0.95
Mar-10	29	35.5	23.55	29.85	48335	423	1446966	11.95	0.85

J. DEMATERIALISATION OF SHARES AND LIQUIDITY

- No. of Shares in Electronic Mode - 2204656 (55.976 % of Total Paid Up Capital)
- Days taken for Dematerialisation - 15 days (Approx.)

- K. Plant Location** : i) KM 25/4, Kalpi Road, Rania, Kanpur Dehat.
ii) 91/2 Village Kunja, Near Dental College, Paonta Sahib (H.P.).
- L. Address for Correspondence** : E-14, Panki Industrial Area, Site-1, Kanpur- 208 022.
- M. Registrar & Share Transfer Agent** : M/s ALANKIT ASSIGNMENTS LIMITED
205-208, Anarkali Market, Jhandewalan Extension,
New Delhi-110055.
- N. Investors'/Shareholders' Contact Information** : Shri Deepak Bhasin
Company Secretary
Tel. : (0512) 2691207, Fax : (0512) 2691209
Designated Email ID : c.s@frontiersprings.co.in

Annexure 'A'

INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name of Director	Date of Birth	Expertise in specific areas	Qualifications	Directorships in other Public Limited Companies	Membership of Committees in other Public Limited Companies	Other Information	Date of Re-appointment	Remarks
Shri Sushma Bhatia	10.03.1945	Businesh Administration	Graduate	Nil	Nil	Promoter Director	05.01.2009	Retiring by rotation at the forthcoming Annual General Meeting.
Shri Prem Sagar	08.02.1937	Technical	B. Sc. (Mech. Engg.), PGD in Metallurgy and Business Management	TAI Industries Ltd.	Nil	Non-Executive Independent Director	31.08.2006	Retiring by rotation at the forthcoming Annual General Meeting.

AUDITORS' REPORT

Auditors' Report to the Members of Frontier Springs Limited

We have audited the attached Balance Sheet of Frontier Springs Limited as at 31.03.2010, the annexed Profit & Loss Account and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) Order 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that :-

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit ;
- ii) In our opinion, proper Books of Accounts as required by law have been kept by the company, so far as appears from our examination of these books ;
- iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account ;
- iv) In our opinion, the Balance Sheet, Profit & Loss

account and Cash Flow Statement dealt with by this report comply with the applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ;

- v) On the basis of written representations received from the Directors, as on 31/03/2010 and taken on record by the Board of directors, we report that none of the director is prima facie disqualified as on 31/03/2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and notes on accounts annexed thereto, subject to the followings:
 - i) Balance of sundry debtors, sundry creditors and sundry advances are subject to confirmation from respective parties (referred note no. 2 of 'Schedule -S' of Note on Accounts).
 - ii) Inventory of finished goods are valued at net realisable value (referred point no. B of 'Schedule -S' of Significant Accounting Policies).

gives the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a) In the case of Balance Sheet, of the state of affairs of the Company as at 31/03/2010;
 - b) In the case of Profit & Loss Account, of the profit for the year ended on that date;
- And
- c) In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

Sanjay Nandini & Co.
229, IIInd Floor,
City Centre, The Mall,
Kanpur
Date : 12.08.2010

For SANJAY NANDINI & CO.
Chartered Accountants
SANJAY MALHOTRA
Partner
Membership No. 71140

THIRTIETH ANNUAL REPORT

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph III of the Auditors' Report to the Shareholders of Frontier Springs Limited on the Financial Statement for the year ended on 31st March, 2010.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
(b) Physical verification of Fixed Assets has been conducted by the management at the end of the year, to the best of our knowledge, no serious discrepancies have been noticed on verification.
(c) No fixed Assets except Car have been disposed off and sale of which does not affect the Concept of Going Concern.
2. (a) The stocks of Finished Goods, Stores, Spare Parts & Raw Materials have been physically verified during the year by the management. In our opinion, frequency of verification is reasonable. The Company is maintaining proper records of inventory.
(b) In our opinion, procedures of physical verification of stocks followed by management are reasonable and adequate in relation to the size of the Company and nature of its business.
(c) The discrepancies noticed on verification between the physical stocks and books records were not significant.
3. The Company has not granted any loan secured or unsecured to Companies, firm or other parties listed in the register maintained under Sec. 301 of the Companies Act, 1956 during the year, however during the year, the Company has accepted deposits amounting to Rs. 21,50,000.00 from 10 nos. of parties listed in the register maintained under Section 301 of the Companies Act, 1956 and has repaid to 12 nos. of parties amounting Rs. 14,90,461.00 (Rs. 5,57,614.00 towards interest and Rs. 9,32,847.00 towards principal). In our opinion rate of interest and other terms and conditions of Loans taken by the Company are not prima-facie prejudicial to the interest of the Company. Further, payment of the principal amount and interest are also regular.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of Inventory and Fixed assets and for the sales of Goods. There are no continuing failures to correct major weaknesses on internal control system.
5. According to the information and explanations provided by the management, we are in the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered. It has been further explained and informed to us by the Company that all the transaction are made at cash on prevailing market prices.
6. The Company has accepted deposits from the public during the year and the same are in compliance with the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. According to explanation and information given to us, maintenance of cost records has not been prescribed by the Central Government under Section 209 (1)(d) of the Companies Act, 1956 in respect to the business of the Company.
9. (a) According to the records of the Company, the Provident Fund, Employees State Insurance, Excise Duty, Service tax, Income tax, Sales tax and any other statutory dues have been regularly deposited with the appropriate authorities within the stipulated time except some delay in deposit of T.D.S., Excise, Sales Tax & Entry Tax. There are no dues outstanding as at the last day of financial year concerned for a period of more than six months from the date they become payable.
(b) In our opinion, explanation and information given to us, there is no statutory dues as stated in para 9(a) above pending due to any dispute, hence provisions of para 4 (ix) b) of the said order is not applicable to the Company.
10. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current year and immediately preceding financial year.
11. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank.
12. In our opinion and according to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of share, debentures and other security.
13. In our opinion, the Company is not a Chit Fund or a Nidhi/Mutual Benefit, Fund/ Society, therefore clause

- 4(xiii) of the Companies (Auditor's Report) Order, 2004 is not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments.
 15. In our opinion and according to the information & explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
 16. The Company is utilising term loan facility from State Bank of India for Plant & Machinery including Car Hire Purchase loan as found by us and as explained and informed to us.
 17. According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
 18. The Company has not made any preferential allotment of shares to any parties or Companies.
 19. No debentures have been issued during the year.
 20. No public issue has been made during the year.
 21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Sanjay Nandini & Co.
229, IInd Floor,
City Centre, The Mall,
Kanpur
Date : 12.08.2010

For SANJAY NANDINI & CO.
Chartered Accountants
SANJAY MALHOTRA
Partner
Membership No. 71140

THIRTIETH ANNUAL REPORT

BALANCE SHEET AS ON 31ST MARCH, 2010

	Schedule No.	Current Year Rs.	Previous Year Rs.
I. SOURCES OF FUNDS			
1. Share Holders' Fund :			
a) Share Capital	A	3,96,32,110.00	3,96,32,110.00
b) Reserve & Surplus	B	8,54,07,360.28	5,74,18,516.21
2. Loan Funds :			
Secured Loans	C	3,83,90,369.09	2,79,14,378.92
Unsecured Loans	D	82,08,371.00	67,63,191.00
	Total	17,16,38,210.37	13,17,28,196.13
II APPLICATION OF FUNDS			
1. Fixed Assets :			
Gross Block	E	14,99,36,173.62	9,12,23,094.19
Less : Depreciation		4,73,85,864.38	4,23,01,336.97
Net Block		10,25,50,309.24	4,89,21,757.22
Capital Work in Progress			
Building Work in Progress		13,94,550.73	1,03,74,754.70
Pre-operative Expenses		-	21,46,547.50
2. Investments			
Investment (At Cost)	F	38,56,054.59	38,76,404.59
3. Current Assets, Loans & Advances			
a) Inventory	G	5,00,86,132.16	3,59,17,345.03
b) Sundry Debtors		6,85,19,020.70	5,67,30,716.01
c) Cash & Bank Balances		75,55,284.36	54,49,797.50
d) Other Current Assets		12,29,779.00	8,85,020.00
e) Loans & Advances		55,26,410.26	1,06,11,237.71
Less : Current Liabilities & Provisions	H		
a) Current Liabilities		4,89,71,867.23	3,44,29,975.73
b) Provisions		1,18,18,410.44	50,26,435.40
4. Net Current Assets			
		7,21,26,348.81	7,01,37,705.12
5. Deferred Tax Liabilities			
		(82,89,053.00)	(40,20,521.00)
MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)			
Deferred Revenue Expenses		-	2,91,548.00
	Total	17,16,38,210.37	13,17,28,196.13

Significant Accounting Policies and Notes on Accounts as per Schedule "S" attached.

As per our separate Report of even date attached to the Balance Sheet.

For SANJAY NANDINI & CO.

Chartered Accountants

SANJAY MALHOTRA

Partner

Place : Kanpur

Date : 12.08.2010

For and on behalf of Board of Directors

K. L. BHATIA

Chairman & Managing Director

DEEPAK BHASIN
Company Secretary

KAPIL BHATIA
Managing Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule No.	Current Year Rs.	Previous Year Rs.
INCOME			
Gross Sales	J	36,41,00,697.00	30,19,72,751.00
Less : Central Excise & Cess Duty		2,55,46,955.00	3,24,26,849.00
Net Sales		33,85,53,742.00	26,95,45,902.00
Increase /(Decrease) in Stock	K	21,96,001.34	12,82,849.21
Miscellaneous Income	L	11,73,741.50	19,46,496.19
Total Income		34,19,23,484.84	27,27,75,247.40
Expenditure			
Raw Material Consumed	M	17,03,01,141.86	15,27,91,840.46
Manufacturing Expenses	N	5,72,28,073.59	4,79,64,713.58
Administrative Expenses	O	1,90,65,879.70	1,86,43,508.22
Interest Charges	P	41,84,081.00	35,81,929.20
Personnel Expenses	Q	83,27,127.47	67,62,604.82
Selling & Distribution Exps.	R	3,05,62,555.74	2,29,61,179.68
Deferred Revenue Exps. Amortised		2,91,548.00	2,91,540.00
Total Expenses		28,99,60,407.36	25,29,97,315.96
Profit Before Depreciation		5,19,63,077.48	1,97,77,931.44
Depreciation		(53,66,319.41)	(38,95,441.06)
Profit After Depreciation		4,65,96,758.07	1,58,82,490.38
Adjustments for Taxation :			
Current Income Tax		(1,25,63,473.00)	(58,16,111.00)
Deferred Tax		(42,68,532.00)	6,85,560.00
Fringe Benefit Tax		—	(2,93,825.00)
Income Tax Refund/(Paid) for Earlier Year		(1,10,734.00)	(3,63,238.00)
Fringe Benefit Tax for Earlier Year		(1,365.00)	(400.00)
Profit After Tax		2,96,52,654.07	1,00,94,476.38
Add : Balance Brought Forward from Prev. year		3,37,26,706.21	2,36,32,229.83
Balance Carried to Balance Sheet		6,33,79,360.28	3,37,26,706.21

Significant Accounting Policies and Notes on Accounts as per Schedule "S" attached.
As per our separate Report of even date attached to the Balance Sheet.

For SANJAY NANDINI & CO.
Chartered Accountants
SANJAY MALHOTRA
Partner

Place : Kanpur
Date : 12.08.2010

For and on behalf of Board of Directors

K. L. BHATIA
Chairman & Managing Director

DEEPAK BHASIN
Company Secretary

KAPIL BHATIA
Managing Director

THIRTIETH ANNUAL REPORT

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010

	Current Year Rs.	Previous Year Rs.
SCHEDULE A : CAPITAL		
1. 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
2. ISSUED, 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
Total	3,96,32,110.00	3,96,32,110.00
SCHEDULE B : RESERVES & SURPLUS		
CAPITAL RESERVE :		
Capital Subsidy	–	16,63,810.00
GENERAL RESERVE :		
Share Premium	2,20,28,000.00	2,20,28,000.00
(On 22,27,500 Equity Shares of Rs. 10/- each per share including premium received @ Rs. 5/- on 49,400 shares forfeited)		
Profit & Loss Account	6,33,79,360.28	3,37,26,706.21
Total	8,54,07,360.28	5,74,18,516.21
SCHEDULE C : SECURED LOANS		
State Bank of India C/C A/C (Against Hypothecation of Stock)	1,89,80,656.09	1,45,98,399.92
State Bank of India Book Debts A/C (Against Hypothecation of Book Debts)	63,40,737.00	50,70,297.00
State Bank of India Term Loan A/C (Against Hypothecation of Gen-set)	–	8,85,174.00
State Bank of India Term Loan (Paonta Sahib)A/C (Against Hypothecation of Plant & Machinery)	1,21,65,482.00	72,23,719.00
ICICI Bank Ltd. Car Loan	0.00	1,36,789.00
Kotak Mahindra Prim. Ltd. Car Loan (All Car Loan Against Hypothecation of Car)	9,03,494.00	0.00
Total	3,83,90,369.09	2,79,14,378.92

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010

	Current Year Rs.	Previous Year Rs.
SCHEDULE D : UNSECURED LOANS		
(Fixed Deposits from Shareholders)		
Ridhu Bhatia Beneficiary Trust	5,14,748.00	4,65,999.00
Ridhu Bhatia Marriage Beneficiary Trust	5,05,547.00	5,17,424.00
Shantanu Bhatia Beneficiary Trust	7,97,880.00	5,71,803.00
Shantanu Bhatia Marriage Beneficiary Trust	2,74,545.00	3,04,439.00
Vansika Bhatia Beneficiary Trust	5,19,411.00	4,65,485.00
Vansika Bhatia Marriage Beneficiary Trust	4,98,257.00	4,09,594.00
Yashima Bhatia Marriage Beneficiary Trust	4,94,968.00	3,51,095.00
Yashima Bhatia Beneficiary Trust	4,86,806.00	3,47,043.00
Chandan Shyama Bhatia HUF	1,16,829.00	1,06,331.00
K.L. Bhatia HUF	0.00	2,62,638.00
K.L. Chandan Bhatia HUF	2,31,531.00	2,10,727.00
K.L. Chandan Manu Bhatia HUF	2,27,071.00	2,06,667.00
K.L. Manu Bhatia HUF	1,21,644.00	1,10,714.00
K.L. Shyama Bhatia HUF	1,21,644.00	1,10,714.00
K.L. Shyama Chandan Bhatia HUF	1,17,916.00	1,07,320.00
K.L. Shyama Manu Bhatia HUF	1,17,916.00	1,07,320.00
Kapil Bhatia HUF	0.00	2,31,890.00
Kapil Kamla Bhatia HUF	1,97,324.00	1,79,593.00
Neeraj Bhatia HUF	0.00	2,27,764.00
Neeraj Kamla Bhatia HUF	2,03,676.00	1,85,374.00
P.C. Bhatia HUF	0.00	80,555.00
P.C. Kamla Bhatia HUF	2,33,240.00	2,12,282.00
P.C. Kamla Kapil Bhatia HUF	2,30,077.00	1,74,533.00
P.C. Kamla Neeraj Bhatia HUF	2,33,473.00	2,12,494.00
P.C. Kapil Bhatia HUF	2,38,426.00	1,87,113.00
P.C. Kapil Neeraj Bhatia HUF	2,33,240.00	2,12,282.00
P.C. Neeraj Bhatia HUF	2,24,138.00	2,03,998.00
Vishpa Rail Equipments Pvt. Ltd.	12,68,028.00	0.00
Total	<u>82,08,371.00</u>	<u>67,63,191.00</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE 'E' OF FIXED ASSETS

Name of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as on 01.04.2009 Rs.	Addition during the year Rs.	Trf. /Adjustment during the year Rs.	Total as on 31.3.2010 Rs.	Upto 31.03.2009 Rs.	For the Year Rs.	Trf. / Adjustment For year Rs.	Total as on 31.03.2010 Rs.	Balance as on 31.03.2010 Rs.	Balance as on 31.03.2009 Rs.
Unit No.1, Kanpur (U.P.) :-										
Land	8,50,865.02	43,59,300.00	0.00	52,10,165.02	0.00	0.00	0.00	0.00	52,10,165.02	8,50,865.02
Building	1,01,45,612.59	0.00	0.00	1,01,45,612.59	44,41,585.63	3,37,935.07	0.00	47,79,520.70	53,66,091.89	57,04,026.96
Plant & Machinery	5,00,51,880.02	4,60,053.00	18,63,810.00	4,86,48,123.02	3,19,78,566.62	22,84,995.96	0.00	3,42,63,562.58	143,84,560.44	1,80,73,313.40
Tools Moulds & Rolls (Iron)	20,18,904.00	4,84,078.00	0.00	25,02,982.00	6,60,748.94	2,42,863.83	0.00	9,03,612.77	15,99,369.23	13,58,155.06
Generator	15,30,000.00	0.00	0.00	15,30,000.00	75,661.64	72,475.89	0.00	1,48,137.53	13,81,862.47	14,54,338.36
Lab & Testing Equipments	12,09,782.00	3,76,178.55	0.00	15,85,960.55	48,547.66	70,834.43	0.00	1,19,382.09	14,66,578.46	11,61,234.34
Office Equipments	6,49,507.00	1,59,615.00	0.00	8,09,122.00	36,308.76	34,657.37	0.00	70,966.13	7,38,155.87	6,13,198.24
Furniture & Fixture	22,91,715.26	34,617.00	0.00	23,26,332.26	18,35,285.48	1,46,175.00	0.00	19,81,460.48	3,44,871.78	4,56,429.78
Vehicles	58,09,957.60	42,19,910.00	7,01,669.00	93,28,198.60	27,86,757.94	7,13,359.66	281,792.00	32,18,325.60	61,09,873.00	30,23,199.66
Computer	16,42,446.00	1,74,050.00	0.00	18,16,496.00	4,37,874.30	2,79,420.98	0.00	7,17,295.28	10,99,200.72	12,04,571.70
Unit No.2, Paonta Sahib (H.P.):-										
Land	1,27,40,582.00	0.00	0.00	1,27,40,582.00	0.00	0.00	0.00	0.00	1,27,40,582.00	1,27,40,582.00
Building	1,68,547.00	1,40,50,906.25	0.00	1,42,19,453.25	0.00	2,53,405.69	0.00	2,53,405.69	1,39,66,047.56	1,68,547.00
Plant & Machinery	93,579.00	3,35,32,889.13	0.00	3,36,26,468.13	0.00	7,88,437.04	0.00	7,88,437.04	3,28,38,031.09	93,579.00
Lab & Testing Equipments	9,03,978.70	4,17,380.50	0.00	13,21,359.20	0.00	31,625.36	0.00	31,625.36	12,89,733.84	9,03,978.70
Office Equipments	1,29,302.00	2,16,015.00	0.00	3,45,317.00	0.00	8,554.67	0.00	8,554.67	3,36,762.33	1,29,302.00
Furniture & Fixture	87,725.00	1,90,094.00	0.00	2,77,819.00	0.00	4,508.89	0.00	4,508.89	2,73,310.11	87,725.00
Electric Fitting & Equipments	898711.00	9,49,025.00	0.00	18,47,736.00	0.00	45,320.31	0.00	45,320.31	18,02,415.69	8,98,711.00
Tools Moulds & Rolls (Iron)	0.00	2,18,790.00	0.00	2,18,790.00	0.00	4,677.85	0.00	4,677.85	2,14,112.15	0.00
Vehicles	0.00	41,409.00	0.00	41,409.00	0.00	2,123.20	0.00	2,123.20	39,285.80	0.00
Gen-set	0.00	11,25,000.00	0.00	11,25,000.00	0.00	28,841.61	0.00	28,841.61	10,96,158.39	0.00
Computer	0.00	2,69,248.00	0.00	2,69,248.00	0.00	16,106.60	0.00	16,106.60	2,53,141.40	0.00
Total	9,12,23,094.19	6,12,78,558.43	25,65,479.00	14,99,36,173.62	4,23,01,336.97	53,66,319.41	2,81,792.00	4,73,85,864.38	10,25,50,309.24	4,89,21,757.22
Prev.year	8,73,14,078.89	63,91,895.30	24,82,880.00	9,12,23,094.19	3,94,24,927.91	38,95,441.06	10,19,032.00	4,23,01,336.97	4,89,21,757.22	0.00
Capital Work in Progress :										
Building Work in Progress (Unit No. 1, Kanpur)				6,91,368.00						
Building Work in Progress (Unit No. 2, Paonta Sahib- H.P.)				7,03,182.73						
Total				<u>13,94,550.73</u>						

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010

	Current Year Rs.	Previous Year Rs.
SCHEDULE F : INVESTMENTS		
Investment in Plantation	0.00	20,350.00
Investment in Preference Shares :		
Frontier Alloy Steels Ltd.	8,00,000.00	8,00,000.00
Investment in (Listed) Equity Shares :		
Chariot Auto Accessories Ltd.	3,00,000.00	3,00,000.00
S.B.I.	79,810.00	79,810.00
I.D.B.I.	48,750.00	48,750.00
Idea-IPO	17,250.00	17,250.00
B.E.M.L.	1,46,642.01	1,46,642.01
B.H.E. L.	3,32,386.52	3,32,386.52
Bharti Airtel Ltd.	68,030.29	68,030.29
H.C.L. Technologies	32,371.38	32,371.38
I.F.C.I.	38,929.99	38,929.99
Infosys	1,27,661.56	1,27,661.56
M.R.P.L.	40,280.00	40,280.00
NTPC LTD.	70,382.68	70,382.68
Omaxe Ltd.	1,24,940.67	1,24,940.67
Reliance Communication Ltd.	54,635.96	54,635.96
Reliance Infrastructure Ltd	43,110.41	43,110.41
Reliance Industries Ltd.	2,89,454.71	2,89,454.71
Reliance Power Ltd.	89,271.48	89,271.48
Tata Motors	1,47,742.92	1,47,742.92
Tata Power	32,673.26	32,673.26
Tata Steels Ltd.	42,115.11	42,115.11
Wire and Wireless (India) Ltd.	29,615.64	29,615.64
Investment in Mutual Fund :		
J.M. Basic Fund	3,00,000.00	3,00,000.00
Reliance Diversified Power Sector Fund	6,00,000.00	6,00,000.00
Total	<u>38,56,054.59</u>	<u>38,76,404.59</u>
SCHEDULE G : CURRENT ASSETS, LOANS & ADVANCES		
(A) Inventories		
(Taken as valued and Certified by the Management)		
1. Raw Material	2,39,29,017.95	1,47,18,485.24
2. Work in Process	56,73,410.24	4,93,307.27
3. Finished Goods	1,48,65,885.78	1,76,79,554.25
4. Scrap	16,02,442.94	17,72,876.10
5. Furnace Oil	2,14,178.89	85,856.89
6. Diesel Oil	56,793.60	1,02,248.12
7. Consumable Stores	37,44,402.76	10,65,017.16
Total	<u>5,00,86,132.16</u>	<u>3,59,17,345.03</u>
(B) Sundry Debtors		
(Unsecured but considered good holding no security other than debtors personal security)		
Debts Due for less than six months	6,65,85,884.70	5,43,86,730.59
Debts Due for more than six months	19,33,136.00	23,43,985.42
Total	<u>6,85,19,020.70</u>	<u>5,67,30,716.01</u>

THIRTIETH ANNUAL REPORT

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010

	Current Year Rs.	Previous Year Rs.
(C) Cash & Bank Balances		
Cash on Hand	6,37,599.84	7,184.54
H.D.F.C. Bank Ltd.	5,52,356.57	0.00
S.B.I. SME Power Pack, Kanpur	3,42,698.08	1,46,798.96
S.B.I. SME Power Pack (Paonta Sahib)	1,29,792.45	9,90,080.00
S.B.I. Current A/C (Paonta Sahib)	2,99,103.42	0.00
S.T.D.R. With S.B.I. Agst. L/C	37,27,000.00	29,27,000.00
S.T.D.R. With S.B.I. Agst. B/G	17,98,600.00	13,10,600.00
S.T.D.R. With W.Rly. Agst. Warantee	10,660.00	10,660.00
S.T.D.R. To Sales Tax (Paonta Sahib)	50,000.00	50,000.00
P.N.B. Current A/C (Gratuity)	7,474.00	7,474.00
Total	75,55,284.36	54,49,797.50
(D) Other Current Assets		
Accrued Interest On STDR	3,14,219.00	1,84,176.00
C.S.T. Recov. on goods Return (07-08)	1,29,390.00	1,29,390.00
Cenvat Recov.(Input)	2,72,010.00	11,340.00
Cenvat Recov.(C. Goods)	37,270.00	7,371.00
Cenvat Deferred (C. Goods)	3,11,833.00	3,86,617.00
Cess Duty Recov.(C. Goods)	809.00	52.00
Cess Duty Deferred (C. Goods)	6,232.00	7,686.00
Cess Duty Recov. Input	5,749.00	859.00
Cess on Service Tax on Input Services	2,680.00	2,416.00
S.H.E. Cess Duty Deferred (C. Goods)	3,116.00	3,809.00
S.H.E. Cess Duty Recov. (C. Goods)	391.00	72.00
S.H.E. Cess Duty Recov. (INPUT)	2,861.00	1,206.00
S.H.E. Cess on Service Tax on Input Services	1,335.00	547.00
Personal Ledger Account (Excise & Cess)	6,992.00	10,455.00
Purchase Tax (Un-registered)	0.00	3,170.00
Service Tax on Input Services	1,34,892.00	1,35,854.00
Total	12,29,779.00	8,85,020.00
(E) Loans & Advances		
(Unsecured but considered good holding no security Other than Personal Security)		
Advance recoverable in cash or in kind or for value to be received		
i) Advance to supplier	12,81,000.34	62,80,763.05
ii) Advance to staff agst. salary	2,71,900.00	2,34,660.00
iii) Security Deposits	33,23,828.00	35,50,338.00
iv) Other Advances	6,49,681.92	5,45,476.66
Total	55,26,410.26	1,06,11,237.71

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010

	Current Year Rs.	Previous Year Rs.
SCHEDULE H : CURRENT LIABILITIES & PROVISIONS :		
(A) Sundry Creditors & Advances Recd.		
(i) Trade Creditors	4,48,03,702.99	3,15,78,073.33
(ii) Creditors for Services	39,59,714.24	26,43,452.40
(iii) Security Recd.	2,08,450.00	2,08,450.00
Total	<u>4,89,71,867.23</u>	<u>3,44,29,975.73</u>
(B) Provisions & Outstanding Liability		
(i) Statutory Liability	58,62,966.37	7,26,017.00
(ii) Provisions & Other Liability	59,55,444.07	43,00,418.40
Total	<u>1,18,18,410.44</u>	<u>50,26,435.40</u>
SCHEDULE I : MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted As on 31.03.2010)		
Deferred Revenue Expenses	2,91,548.00	5,83,088.00
Less : Exps. amortised during the year	2,91,548.00	2,91,540.00
Total	<u>0.00</u>	<u>2,91,548.00</u>
SCHEDULE J : SALES		
Sales Central (Coil agst. C)	12,56,52,052.00	12,86,47,430.00
Sales Central (Coil agst. Full Tax)	14,26,70,618.00	10,64,36,776.00
Sales Central (L/L agst. 2%)	19,97,406.00	1,31,21,021.00
Sales U.P. (Coil agst. Full Tax)	1,28,07,761.00	0.00
Sales U.P. (Coil agst. VAT)	4,58,60,808.00	4,29,99,087.00
Sales U.P.(Scrap agst. VAT)	21,02,140.00	47,45,259.00
Total	<u>33,10,90,785.00</u>	<u>29,59,49,573.00</u>
Sales Deemed Export	4,43,520.00	4,98,771.00
Sales Depot (Coil agst. F Form)	3,42,90,465.00	71,98,322.00
	36,58,24,770.00	30,36,46,666.00
Less : Sales Return	17,24,073.00	16,73,915.00
Total	<u>36,41,00,697.00</u>	<u>30,19,72,751.00</u>
SCHEDULE K : INCREASE(+)/(-)DECREASE IN STOCK		
Opening Stock-		
Finished Goods	1,76,79,554.25	1,12,26,975.66
Work in Process	4,93,307.27	43,94,744.75
Scrap	17,72,876.10	30,41,168.00
	<u>1,99,45,737.62</u>	<u>1,86,62,888.41</u>
Less : Closing Stock-		
Finished Goods	1,48,65,885.78	1,76,79,554.25
Work in Process	56,73,410.24	4,93,307.27
Scrap	16,02,442.94	17,72,876.10
	<u>2,21,41,738.96</u>	<u>1,99,45,737.62</u>
Increase(+)/Decrease (-) in Net Inventory	<u>21,96,001.34</u>	<u>12,82,849.21</u>

THIRTIETH ANNUAL REPORT

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010

	Current Year Rs.	Previous Year Rs.
SCHEDULE L : MISCELLANEOUS INCOME		
Interest on S.T.D.R.	1,75,752.00	2,33,837.69
Dividend Received	19,740.50	19,021.50
Input Tax Credit on Stock	0.00	7,02,983.00
Rent on Shed Received	9,52,872.00	9,52,872.00
Freight & Insurance on Export	24,877.00	0.00
Misc. Income	500.00	0.00
Profit on Sale of Gen-set	0.00	37,782.00
Total	11,73,741.50	19,46,496.19
SCHEDULE M : RAW MATERIAL CONSUMED		
Opening Stock	1,47,18,485.24	1,80,48,897.48
Add : Purchases (Including Freight , Intt.on L/C & Entry Tax)	17,95,11,674.57	14,94,61,428.22
Less : Closing Stock	2,39,29,017.95	1,47,18,485.24
Total	17,03,01,141.86	15,27,91,840.46
SCHEDULE N : MANUFACTURING EXPENSES		
Power and Fuel Consumed	2,32,31,868.73	2,00,86,855.32
Consumable Stores Consumed	79,19,799.66	68,02,290.40
Generator Repairing & Maintenance	1,27,840.11	41,044.00
Jobwork Paid	26,55,023.00	21,04,647.00
Freight & Cartage Local	82,352.00	0.00
Lab. expenses	24,109.00	1,234.72
Labour Fooding & Welfare	2,75,990.00	3,75,874.00
Machinery Maintenance	72,34,834.71	57,61,414.00
Wages & Salary	1,24,83,185.06	99,46,718.67
Watch & Ward	5,81,537.00	4,83,834.00
Workshop Maintenance	26,05,049.32	23,60,801.47
Weight & Measurement	6,485.00	0.00
Total	5,72,28,073.59	4,79,64,713.58
SCHEDULE O : ADMINISTRATIVE EXPENSES		
Appeal Fee	1,000.00	2,010.00
Audit Fee (Statutory)	70,000.00	50,000.00
Audit Fee (Internal)	2,07,000.00	1,80,000.00
Bank Charges	31,49,405.98	25,52,069.30
Bank Transaction Tax	0.00	10,698.00
Board Meeting Expenses	70,638.00	98,607.00
Building Repair & Maintenance	2,30,343.00	5,30,234.92
Car Running Expenses	2,98,917.57	2,56,391.73
Certification Fee	22,775.00	8,350.00
Computer Expenses	1,85,167.00	1,02,760.00
Conveyance	7,11,199.05	6,34,116.91
Consultation Fee	3,28,950.00	2,87,000.00
Directors' Remuneration	27,00,000.00	23,70,000.00
Directors' Sitting Fee	52,000.00	52,000.00

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010 (Contd..)

	Current Year Rs.	Previous Year Rs.
Donation	43,551.00	85,027.00
Guest House Exps.	1,86,638.00	0.00
Depot Rent	6,600.00	7,200.00
Hire Charges on Vehicle	16485.00	54,275.21
Incentive To Director	24,55,505.00	25,77,000.00
ISO (ISO-9002) Certificate Exps.	38,450.00	18,752.00
Inspection Charges	2,62,723.00	4,90,546.00
Insurance	1,99,296.00	1,14,500.00
Internet Expenses	14,422.56	32,912.00
Legal Expenses	58,675.00	43817.00
Loss on Sale of Car	84,939.00	352784.00
Loss on Investment in Plantation	20,350.00	0.00
Factory Licence Fee	24,800.00	14,200.00
Festival Exps.	2,27,226.00	1,09,604.00
Filing Fee	15710.00	13,802.00
Foreign Currency Fluctuation	9288.00	0.00
Share/ Stock Listing Fee	26,834.00	29,565.00
Share Maintenance Charges	70,037.00	67,110.91
Sales Tax Demand	1,53,481.24	0.00
Pooja Expenses	34,498.00	17,618.75
Membership Fee	57,502.00	55,911.70
Misc. expenses	1,21,057.51	60,211.20
News Paper & Periodicals	20,708.00	17,183.50
Office Maintenance	1,61,700.04	1,29,685.48
Postage & Stamp	1,94,220.00	1,91,116.50
Printing & Stationery	2,55,496.50	2,19,103.27
Professional Charges	85,742.00	2,30,993.00
Rebate & Trade Discount	1,56,069.00	0.00
Demurrage & Other Deduction	24,79,921.00	17,58,745.00
Rates & Taxes	1,42,730.00	57,112.00
Registration Fee	14,445.00	36,300.00
Sundry Balance W/Off	1,178.71	24,16,631.48
Telephone Expenses	6,50,876.65	5,11,830.76
Travelling Expenses	6,40,600.00	3,14,083.94
Travelling Expenses (Director)	8,23,305.32	8,11,522.18
Travelling Expenses (Foreign)	10,11,112.47	3,75,638.48
Vehicle Repair & Maintenance	2,72,311.10	2,94,488.00
Total	<u>1,90,65,879.70</u>	<u>1,86,43,508.22</u>
SCHEDULE P : INTEREST CHARGES		
Interest to Bank	33,96,985.00	30,52,242.00
Interest to Unsecured Loan	7,85,641.00	5,22,111.00
Interest on Sale Tax / Excise / TDS	1,455.00	7,576.20
Total	<u>41,84,081.00</u>	<u>35,81,929.20</u>

THIRTIETH ANNUAL REPORT

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010

	Current Year Rs.	Previous Year Rs.
SCHEDULE Q : PERSONNEL EXPENSES		
BONUS	10,16,619.00	6,74,006.00
E.S.I.	2,81,716.25	2,41,820.40
Gratuity Insurance	5,59,865.00	4,48,750.00
House Rent Allowance	4,43,930.00	2,82,915.00
Incentive Expenses & Compensation	1,52,800.00	72,036.00
Leave Encashment	2,75,301.69	3,35,214.00
Retainership Fee	96,200.00	74,200.00
Provident Fund	9,96,621.00	8,74,591.00
Salary	39,96,954.24	34,23,847.71
Medical Expenses	2,27,532.29	2,39,264.71
Staff Fooding & Welfare	2,70,238.00	95,960.00
Staff Training Exps.	9,350.00	0.00
Total	83,27,127.47	67,62,604.82
SCHEDULE R : SELLING & DISTRIBUTION EXP.		
Advertisement & Publication	7,55,969.00	3,69,416.00
Central Sales Tax Exps.	98,21,312.37	73,41,106.00
U.P. VAT Exps.	35,37,687.00	18,34,525.00
H.P. VAT Exps.	3,269.00	0.00
Commission	23,58,652.00	15,67,965.00
Freight & Cartage Outward	70,26,468.00	50,10,117.00
Service Tax on Freight	1,87,408.00	1,53,209.00
Gift on New Year	1,06,310.00	75,037.50
Packing Expenses	64,08,502.37	58,31,224.18
Sales Promotion	2,49,050.00	4,51,333.00
Sample	31,243.00	1,51,981.00
Tender Fees	76,685.00	1,75,266.00
Total	3,05,62,555.74	2,29,61,179.68

SCHEDULE "S" OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT ATTACHED AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.**Significant Accounting Policies****(A) (i) Basis of Accounting AS-1 :**

The financial statement have been prepared under the historical cost and conversion, in accordance with generally accepted accounting principles and the provisions of Companies Act, 1956 as adopted consistently by the Company. The Company generally follows mercantile system of accounting and recognises significant items of income & expenditure on accrual basis.

(ii) Consistency

Accounting policies not specifically referred to otherwise are consistent and are in consonance with generally accepted accounting principles.

(B) Inventories AS-2 :

- (i) Value of Raw Materials, Stores & Spares 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.

The valuation of Raw Material, Store & Spares and Work in process are valued as per AS-2 "Valuation of Inventories" issued by the Institute of Chartered Accountants of India, however Finished goods are valued at net realisable value, which is not as per AS-2, but this method of valuation is being consistently followed in earlier years.

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

Closing stock of Finished goods & Scrap amounting to Rs.1,64,68,328.72 (Pre.Yr. 1,94,52,430.35) includes the amount of Excise duty, education & higher secondary education cess on excise amounting to Rs.13,37,785.00 (Pre.Yr. Rs.14,80,858.00). The Company has provided the excise duty, education cess & higher secondary education cess duty on closing stock of finished goods & Scrap to Profit & Loss account for the Current Year.

(C) Cash Flow AS-3 : A

AS-3 is applicable to the Company and indirect method has been followed.

(D) Contingent Liabilities AS-4 :

Contingent liabilities are not provided for but are disclosed by way of point No.10 of Notes on Accounts.

(E) Prior period items AS-5 :

Wherever required the item has been classified as per accounting standard.

(F) Depreciation AS-6 :

Depreciation has been charged on straight line method as per the rates given in Schedule XIV of the Companies Act, 1956.

(G) Revenue Recognition AS-9 :

All Income and Expenditure are accounted for on accrual basis.

(H) Sales

Sales are invoiced on completion of sale of goods and include Excise duty, Education cess duty, Secondary higher education cess and Sales Tax.

(I) Fixed Assets AS-10 :

- (i) Fixed assets are stated at cost less depreciation. Such cost comprises of purchase price and any attributable cost of bringing the assets to working conditions for its intended use.
- (ii) Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to Profit and Loss account. When assets are sold or discarded, their cost and accumulated

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depreciation is removed from the account and any gain or loss, resulting from their disposal is included in the Profit and Loss account.

(J) Foreign Currency transaction during the current year AS-11:

The Company has no transaction in foreign currency for the import of material and a transaction in foreign currency of Rs. 4,43,520/- towards export sales. However, travelling expenses of Rs. 10,11,112.47 on foreign tour for attending trade fair has been incurred. There is no exchange gain/loss arising out of the rates prevailing on the date of transaction/remittance, hence not dealt with in Profit & Loss A/c for the year in which remittance is affected.

(K) Cenvat :

The amount of cenvat benefit eligible is reduced for the amount of purchase of raw material and consumption of raw material have been arrived thereat accordingly.

(L) Service Tax :

The amount of service tax on input services availed by the Company has been accounted for availing the benefits of credit allowable under the statute.

(M) Investment AS-13 :

Investments have been stated at cost. Temporary increase/decrease in the value of investments have not been recognised by the management of the Company as all investments are considered by the Company as Long Term investment (as shown in note no.4).

(N) Retirement Benefit to employees AS-15 :

- (i) Gratuity liability under Gratuity Act, 1972 covered under LIC Staff Gratuity Policy and premium payable on account of the said policy is charged to the Profit & Loss account.
- (ii) The Company's contribution to Provident Fund and Family Pension Fund is charged to Profit & Loss account.
- (iii) Leave retirement expenses is provided to Profit & Loss Account on accrual basis. Leave encashment in case of retirement as well as on continuing employees is provided for, and the same is at Rs. 7,00,503.69 (Pre. Yr. Rs. 7,30,455.00).

(O) Borrowing Cost AS-16 :

As informed by the Management of Company, there was no borrowing cost occurred for the purpose of acquiring or buildup of Fixed Assets for the preinstallation period.

(P) Segment Reporting AS-17 :

The Company's main business is manufacturing & selling of Coil Springs & Leaf Springs. There is no separate segment within the Company as defined by 'AS-17 Segment Reporting' issued by the Institute of Chartered Accountants of India.

(Q) Related party disclosure :- AS-18 :

Related Party	Relationship	Nature of transaction	Value (Amount Rs.)	Amount outstanding Receivable/Payable
Shri K.L.Bhatia	Key Management Person	Remuneration	15,00,000.00	Cr. 88,914.50
Shri Kapil Bhatia	Key Management Person	Remuneration	15,00,000.00	Cr. 2,88,648.22
Shri Neeraj Bhatia	—do—	—do—	15,00,000.00	Cr. 45,855.58
Smt. Sushma Bhatia	—do—	—do—	9,72,000.00	Cr. 2,60817.50
Miss Shikha Bhatia	Nephew of Chairman & Mng. Director	Salary	3,15,000.00	NIL
M/s Frontier Alloy Steels Ltd	Associate Concern	Sales	1,63,14,209.00	Dr. 47,32,573.00
—do—	—do—	Purchase	23,65,118.00	0.00
—do—	—do—	Investment	8,00,000.00	Dr. 8,00,000.00

M/s Frontier Metaprod (India) Pvt.Ltd.	—do—	Purchase	13,528.00	0.00
M/s Frontier Engineering Corporation	—do—	Purchase	69,28,792.00	0.00
M/s Frontier Springs, Kanpur	—do—	Purchase	98,971.00	0.00
M/s Vishpa Rail Equipments Ltd	—do—	Jobwork	26,54,523.00	0.00
M/s Vishpa Rail Equipments Ltd	—do—	Interest on Deposits	16,285.00	Cr.12,68,028.00
Ridhu Bhatia Beneficiary Trust	—do—	Interest on Deposits	51,983.00	Cr. 5,14,784.00
Ridhu Bhatia Marriage Beneficiary Trust	—do—	—do—	53,470.00	Cr. 5,05,547.00
Shantanu Bhatia Beneficiary Trust	—do—	—do—	74,077.00	Cr. 7,97,880.00
Shantanu Bhatia Marriage Beneficiary Trust	—do—	—do—	30,106.00	Cr. 2,74,545.00
Vansika Bhatia Beneficiary Trust	—do—	—do—	51,926.00	Cr. 5,19,411.00
Vansika Bhatia Marriage Beneficiary Trust	—do—	—do—	48,663.00	Cr. 4,98,257.00
Yashima Bhatia Beneficiary Trust	—do—	—do—	45,925.00	Cr. 4,94,968.00
Yashima Bhatia Marriage Beneficiary Trust	—do—	—do—	45,711.00	Cr. 4,86,806.00
Chandan Shyama Bhatia HUF	—do—	—do—	11,664.00	Cr. 1,16,829.00
K.L. Bhatia HUF	—do—	—do—	23,832.00	NIL
K.L. Chandan Bhatia HUF	—do—	—do—	23,116.00	Cr. 2,31,531.00
K.L. Chandan Mannu Bhatia HUF	—do—	—do—	22,671.00	Cr. 2,27,071.00
K.L. Mannu Bhatia HUF	—do—	—do—	12,145.00	Cr. 1,21,644.00
K.L. Shyama Bhatia HUF	—do—	—do—	12,145.00	Cr. 1,21,644.00
K.L. Shyama Chandan Bhatia HUF	—do—	—do—	11,773.00	Cr. 1,17,916.00
K.L. Shyama Mannu Bhatia HUF	—do—	—do—	11,773.00	Cr. 1,17,916.00
Kapil Bhatia HUF	—do—	—do—	21,042.00	NIL
Kapil Kamla Bhatia HUF	—do—	—do—	19,701.00	Cr. 1,97,324.00
Neeraj Bhatia HUF	—do—	—do—	20,667.00	NIL
Neeraj Kamla Bhatia HUF	—do—	—do—	20,335.00	Cr. 2,03,676.00
P.C. Bhatia HUF	—do—	—do—	17,861.00	NIL
P.C. Kamla Bhatia HUF	—do—	—do—	23,287.00	Cr. 2,33,240.00
P.C. Kamla Kapil Bhatia HUF	—do—	—do—	22,827.00	Cr. 2,30,077.00
P.C. Kamla Neeraj Bhatia HUF	—do—	—do—	23,310.00	Cr. 2,33,473.00
P.C. Kapil Bhatia HUF	—do—	—do—	23,681.00	Cr. 2,38,426.00
P.C. Kapil Neeraj Bhatia HUF	—do—	—do—	23,287.00	Cr. 2,33,240.00
P.C. Neeraj Bhatia HUF	—do—	—do—	22,378.00	Cr. 2,24,138.00

(R) Accounting for Leases :- AS-19

There is no such items to be disclosed as explained by the management.

(S) Earning per Share :- AS-20

	2009-10	2008-09
N/P after tax availing for share holder	Rs. 2,96,52,654.07	Rs. 1,00,94,476.38
Weighted average No. of equity shares outstanding during the year	Nos. 39,38,511	Nos. 39,38,511
Basic/diluted earning per share	Rs. 7.53	Rs. 2.56

(T) Consolidated financial statement :- AS-21

AS-21 issued by the Institute of Chartered Accountants of India is not applicable to the Company.

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(U) Deferred Tax :- AS-22

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	2009-10		2008-09	
		Accumulated Deferred Tax Assets	Accumulated Deferred Tax Liability	Accumulated Deferred Tax Assets	Accumulated Deferred Tax Liability
1.	Unabsorbed depreciation and losses	—	—	—	—
2.	Deferred revenue expenditure	—	—	—	99,094.00
3.	Difference between book and tax depreciation	—	82,89,053.00	—	39,21,427.00
	Total	0.00	82,89,053.00	0.00	40,20,521.00
	Net Deferred Tax Liability		82,89,053.00		40,20,521.00

The difference Deferred tax assets for the year 2009-10 : Rs. 42,68,532.00 has been credited to Profit & Loss Account.

(V) Material events occurring after Balance Sheet date has been taken into cognizance.

(W) Interim financial reporting (IFR) :- AS-25

As per clause 41 Listing agreements the Company is publishing its financial results on quarterly basis.

(X) Intangible Assets :- AS-26

As informed by the Management, the Company has no intangible assets.

(Y) Impairment of Assets :- AS-28

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).

(Z) Deferred revenue expenditure are amortised over a period of ten years.

Particulars of Balance Sheet Abstract and Company's General Business Profile in compliance of notification No. 3/24/94-CL-V (a) of the Ministry of Law, Justice and Company Affairs dt. 15.05.95 is enclosed herewith as annexure I.

Notes on Accounts :

- Excise duty, education cess & higher secondary education cess on excise of Rs. 13,37,785.00 on finished goods including scrap of Rs. 1,64,68,328.72 lying at the factory premises at the end of the year, would be payable at the time of clearance of such stock and the amount has been provided for and considered in the closing stock.
- Balances of sundry debtors, sundry creditors and loans & advances are subject to confirmation and reconciliation from the respective parties/persons.
- In the opinion of the Board, the current assets, loans & advances are approximately of the value stated, if realised in ordinary course of business. Provision for the known liabilities and for all doubtful debts & advances have been provided as reasonably required.
- Details of Investments (Long term) :-**

Name/title	Quoted or Unquoted Share	No. of Shares/ Mutual Fund	Face Value Rs.	Cost Rs.	Dividend Income	No. of Shares Sales	Profit/ Loss on sale	Market Value as on 31.03.2010 or any date near to
Frontier Alloy Steels Ltd (Preference Share)	(Un.Q.)	8000	800000	800000	—	—	—	Not available
Chariot Auto Accessories Ltd. (Q.)	(Q.)	145000	1450000	300000	—	—	—	Not available
I.D.B.I.	(Q.)	1500	15000	48750	—	—	—	173700

S.B.I.	(Q.)	180	1800	79810	7020	—	—	378666
IDEA	(Q)	230	2300	17250	—	—	—	14858
B.E.M.L.	(Q)	125	1000	146642	1500	—	—	132319
B.H.E.L .	(Q)	150	1250	332387	2850	—	—	362865
Bharti Airtel Ltd.	(Q)	150	750	68030	150	—	—	22661
H.C.L.Technologies	(Q)	100	200	32371	300	—	—	35690
I.F.C.I.	(Q)	500	5000	38930	400	—	—	25425
Infosys	(Q)	75	375	127662	1763	—	—	200355
MRPL	(Q)	500	5000	40280	600	—	—	39075
NTPC LTD.	(Q)	300	3000	70383	1140	—	—	62355
Omaxe Ltd.	(Q)	400	4000	124941	—	—	—	37040
Reliance Communication Ltd.	(Q)	75	750	54936	60	—	—	12821
Reliance Infrastructure Ltd.	(Q)	25	250	43110	175	—	—	25391
Reliance Industries Ltd.	(Q)	230	1000	289455	3495	—	—	251540
Reliance Power Ltd.	(Q)	320	2000	89271	—	—	—	48656
Tata Motors	(Q)	200	2000	147743	—	—	—	155180
Tata Power	(Q)	25	250	32673	287	—	—	33881
Tata Steels Ltd.	(Q)	50	500	42115	—	—	—	32613
Wire and Wireless (I) Ltd.	(Q)	300	3000	29615	—	—	—	5025
J.M. Basic Fund	(Q)	8248.760		300000	—	—	—	150045
Reliance D.E.P.S. Fund	(Q)	7646.833		600000	—	—	—	605593

Note :-

- (i) Since the market value of 1,45,000 equity shares of Chariot Auto Accessories Ltd. and the market value of 8,000 Preference shares of Frontier Alloy Steels Ltd. is not available with the Company the gain/loss on these investments can not be ascertained and the same are valued at cost.
- (ii) The increase/decrease in market value of Shares/Mutual Fund has not been regarded as permanent by the Company, hence no revaluation has been made in the books of account.

5. Payment made to/provided for Managing Director/Whole Time Directors

Remuneration	2009-2010	2008-2009
Managing Directors	8,70,000.00	7,80,000.00
Other Directors	18,30,000.00	15,90,000.00
Incentives :		
Managing Directors	5,58,163.00	6,51,698.00
Other Directors	18,97,342.00	19,25,302.00
Perquisites :		
Managing Directors	71,837.00	68,302.00
Other Directors	2,44,658.00	1,84,698.00
Leave Travel Concession :		
Managing Directors	NIL	NIL
Other Directors	NIL	NIL
Sitting fee :		
	NIL	NIL

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

	2009-10	2008-09
i. Licensed Capacity (As certified by the management)	Not Applicable	Not Applicable
ii. Installed Capacity (As certified by the management)	8000 Mt.per annum on single shift of eight hour Leaves spring and coil spring	5000 Mt. per annum on single shift of eight hour Leaves spring and coil spring
iii. Production in Nos.	2,29,753	1,87,723
iv. Particulars in respect of sales (refer notes below)		

Class of Goods	U/N	31.03.2010		31.03.2009	
		Qty.	Amount	Qty.	Amount
Coil springs	Nos.	238434	364100697.00	181659	301972751.00
Leaf springs	Nos.	Nil	Nil	Nil	Nil

Notes :-

The value of sales is stated :-

(A) Inclusive of sales tax and inclusive of excise duty.

(B) Inclusive items manufactured and sold only.

(C) Net of goods returned.

v. Quantitative details of Raw Materials Consumed :

Particulars	31.03.2010		31.03.2009	
	Qty. (Mt.)	Value (Rs.)	Qty. (Mt.)	Value (Rs.)
a) Indigenous Spirings Steel Round	3413.121	170301141.86	2694.864	152791840.46
b) Imported	Nil	Nil	Nil	Nil

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

	2009-10	2008-09
Raw Materials imported	Nil	Nil
Spare Parts & Sets (Indigenous)	100%	100%
Raw Materials Indigenous	100%	100%

vii. Quantitative details of finished goods

	2009-10	2008-09
Particulars	Nos.	Nos.
Opening Stock	30602	21190
Closing Stock	21700	30602
Home Consumption for reprocess	—	—
Turnover	238434	181659

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.

	2009-10	2008-09
7. Expenditure in foreign currency [Travelling Exps. (Foreign)]	Rs. 10,11,112.47	Rs. 3,75,638.48
8. Earnings in foreign currency	Rs. 4,43,520.00	Rs. Nil
9. Number of employees who are getting remuneration in aggregate of not less than Rs. 24,00,000/- per annum if employed throughout the year or if employed for part of the year were in receipt of remuneration in aggregate of not less than of Rs. 2,00,000/- per month – NIL.		
10. The Company is contingently liable towards bank guarantee provided to the tune of Rs. 129.65 lacs in favour of Indian Railways (Prev.Yr.Rs. 121.80 lacs in favour of Indian Railways).		
11. During the year ended 31st March, 2008, profit of the Company has reduced substantially due to irrecoverable sundry debtors of Rs. 22,64,238.24 due from Maharashtra State Road Transport Corporation has been written off. However, This dispute is still pending before the Hon'ble Court of Third Additional Civil Judge (Senior Division), Kanpur Nagar. Hence this may be considered as contingent asset.		
12. The Company has paid an Advance Income Tax for current year to the tune of Rs. 80,00,000.00 and the Company has also claim of Rs. 45,709.00 on account of T.D.S. on interest on S.T.D.R. with S.B.I. & Rs. 1,37,764.00 on account of T.D.S. deducted on rent of shed for the current year under consideration.		
13. The Company has started production from 15.09.2009 in second unit at 91/2 Kunja, Paonta Sahib (H.P.). The incidental expenditure during the pre-operative period has been capitalised.		
14. Payment to Statutory Auditors :-		

	2009-10	2008-09
Audit fee	70,000.00	50,000.00
Service Tax & Cess	7,210.00	5,150.00
Income Tax Fee	Nil	Nil
Management consultancy charges	Nil	Nil
Total	<u>77,210.00</u>	<u>55,120.00</u>

15. Details of Loans :-

(i) Cash Credit Limit (Stock) : Rs. 1,89,80,656.09 (as on 31.03.2010)

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 Sahib (H.P.). Loans are guaranteed by Directors Shri K.L. Bhatia, Shri Kapil Bhatia, Shri Neeraj Bhatia & Smt. Sushma Bhatia and third party being Smt. Shyama Bhatia.

(ii) Cash Credit Limit (Book Debts) : Rs. 63,40,737.00 (as on 31.03.2010)

Primary secured by the hypothecation of bills accompanied by IBA approved transporters receipt, invoice, bills of exchange & excise copy of invoice. The first charges on Company's entire fixed assets (both present and future) 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 Sahib (H.P.). Loans are guaranteed by Directors Shri K.L. Bhatia, Shri Kapil Bhatia, Shri Neeraj Bhatia & Smt. Sushma Bhatia and third party being Smt. Shyama Bhatia.

(iii) Term Loan (Plant & Machinery) Rs. 1,21,65,482.00 (as on 31.03.2010)

Primary secured by the hypothecation of Company's entire current assets (both present and future) and the

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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 Sahib (H.P.) Loans are guaranteed by Directors Shri K.L. Bhatia, Shri Kapil Bhatia, Shri Neeraj Bhatia & Smt. Sushma Bhatia and third party being Smt. Shyama Bhatia.

(iv) Car Loan :-

(a) ICICI Bank Ltd. Car Loan of Rs. 9,03,494.00

Primary secured by the hypothecation of Company's vehicle No. UP78-BY/7707

16. During the year Company has paid Rs. 1,455.00 as interest on delayed payment of T.D.S., Excise, Entry Tax & Sales tax.
17. Bonus as shown in the Profit & Loss Account Rs. 10,16,619.00 (includes provision made during the year Rs. 8,64,924.00 and Rs. 1,51,695.00 paid out of provision for the previous year 2008-09).
18. Cash & Bank Balance includes Rs. 55,86,260.00 (Pre. Yr. Rs. 42,98,260.00) as a Short Term Deposit Receipt with S.B.I. against Letter of Credit Limit, Bank Guarantee against purchase order from customer i. e. Indian Railways & Sales Tax Deptt.
19. Liability on account of interest on delayed payment to small scale and ancillary industrial undertakings under the Small Scale and Industrial Undertakings Act, 1993 cannot be ascertained as desired details are not available with Company.
20. Previous year's figures have been regrouped/recasted/reclassified to make them comparable wherever required.
21. The Company has its depot at 40/2 Bama Charan Roy Road, Post office Behala, Kolkata. The stock amounting Rs. 3,29,71,600.00 is being transferred to depot against form "F". The total sale booked through depot during the year is Rs. 3,42,90,465.00 with local sales against VAT.
22. Schedules 'A' to 'S' form an integral part of the Balance Sheet and Profit & Loss account.

For SANJAY NANDINI & CO.
Chartered Accountants
SANJAY MALHOTRA
Partner

Place : Kanpur
Date : 12.08.2010

For and on behalf of Board of Directors

K. L. BHATIA
Chairman & Managing Director

DEEPAK BHASIN
Company Secretary

KAPIL BHATIA
Managing Director

**Additional information as required under Part-IV of Schedule VI to the Companies Act, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

1. Registration Details

Registration No. State Code
 Balance Sheet Date
 Date Month Year

2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue
 Rights Issue
 Bonus Issue
 Private Placement

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities Total Assets

Sources of Funds

Paid-up Capital Reserves and Surplus
 Secured Loans Unsecured Loans

Application of Funds

Net Fixed Assets Investments
 Net Current Assets Misc. Expenditure
 Accumulated Losses

4. Performance of Company (Amount in Rs. Thousands)

Total Income Total Expenditure
 Profit/Loss Before Tax Profit/Loss After Tax

(Please tick appropriate Box (+) for Profit (-) for Loss)

(+) (-) Earning per Share in Rs. Dividend Rate

5. Generic Names of Three Principal Products/ Services of the Company (As per monetary terms)

Item Code No.
 Product Description
 Item Code No. (ITC Code)
 Product Description

For SANJAY NANDINI & CO.
Chartered Accountants
SANJAY MALHOTRA
Partner

Place : Kanpur
Date : 12.08.2010

For and on behalf of Board of Directors

K. L. BHATIA
Chairman & Managing Director
DEEPAK BHASIN
Company Secretary
KAPIL BHATIA
Managing Director

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	As at 31.03.2010	(Rs. in Lacs) As at 31.03.2009
A) Cash Flow From Operating Activities		
Net Profit Before Tax	465.97	158.82
Item Adjustment For :-		
Depreciation	53.66	38.95
Rental Income	(9.53)	(9.53)
Interest Expenditure (Bank & Loan)	41.84	35.82
Interest Income	(1.76)	(2.34)
Dividend Income	(0.20)	(0.19)
Freight & Insurance on Export	(0.29)	0.00
Input Tax Credit on Stock	0.00	(7.03)
Profit on Sale of Share/Assets	0.00	(0.38)
Loss on Sale of Car Taken As Extra Ordinary Item	0.85	3.53
Amortisation of Misc.exps	2.91	2.91
Hire Charges	0.16	0.54
Operating Profit Before Working Capital Changes	553.61	221.10
Adjustment For :-		
Inventories	(141.69)	28.74
Sundry Debtors	(117.88)	(119.00)
Loan & Advances	47.40	(87.74)
Sundry Creditors	145.42	157.72
Sundry Provisions	67.92	(6.51)
Cash Flow Before Extra Ordinary Items	554.65	194.31
Extra Ordinary Items	(0.85)	(3.53)
Tax Paid	(126.75)	(64.73)
Net Cash (Used In)/From Operation Activities (A)	427.18	126.05
(B) Cash Flow From Investing Activities		
Increase In Fixed Assets	(485.69)	(165.93)
Investment	0.20	(0.68)
Sale of Fixed Assets	7.01	14.26
Interest Received	1.76	2.34
Dividend Received	0.20	0.19
Freight & Insurance on Export	0.29	0.00
Input Tax Credit on Stock	0.00	7.03
Profit on Sale of Shares/Assets	0.00	0.38
Extraordinary Items		
Rent Received	9.53	9.53
Net Cash (Used in)/From Investing Activities (B)	(466.70)	(132.88)
C) Cash Flow From Financing Activities		
Proceeds From Share Capital	0.00	0.00
Proceeds/(Repayment) From Capital Subsidy	(16.64)	0.00
Proceeds/(Repayment) From Short Term Borrowings	104.76	37.23
Proceeds/(Repayment) of Unsecured Loan	14.45	32.73
Dividend Paid	0.00	0.00
Interest Paid (Bank & Loan)	(41.84)	(35.82)
Hire Charges	(0.16)	(0.54)
Net Cash(used In)/From Financing Activities (C)	60.57	33.60
Net (decrease)/Increase in Cash and Cash Equivalents (A+B+C)	21.05	26.77
Cash and Cash Equivalents-opening	54.50	27.73
Cash and Cash Equivalents-closing	75.55	54.50

Place : Kanpur
Date : 12.08.2010

K. L. BHATIA
Chairman & Managing Director

KAPIL BHATIA
Managing Director

DEEPAK BHASIN
Company Secretary

AUDITORS' CERTIFICATE

We have examined the above cash flow statement of Frontier Springs Limited for the year ended 31st March, 2010. The Statement has been prepared by the Company in accordance with the requirements of listing agreement clause 32 with Stock Exchange and is based on and in agreement with books and records of the Company and also the Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of Company.

Place : Kanpur
Date : 12.08.2010

For SANJAY NANDINI & Co.
Chartered Accountants
SANJAY MALHOTRA
Partner

FRONTIER SPRINGS LIMITED

E-14, Panki Industrial Area, Site - I, Panki, Kanpur-208 022

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

DP. Id*	
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Folio No.	
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Client Id*	
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NAME AND ADDRESS OF THE SHAREHOLDER _____

No. of Shares held : _____

I hereby record my presence at the THIRTIETH ANNUAL GENERAL MEETING of the Company to be held on Thursday, 30 September, 2010 at 12.30 PM. at E-14, Panki Industrial Area, Site-I, Panki, Kanpur-208 022.

* Applicable for Investors holding Shares in electronic form.

** Strike out whichever is not applicable

SIGNATURE OF THE SHAREHOLDER OR PROXY**

CUT HERE

FRONTIER SPRINGS LIMITED

E-14, Panki Industrial Area, Site - I, Panki, Kanpur-208 022

PROXY FORM

DP. Id*	
---------	--

Folio No.	
-----------	--

Client Id*	
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I/We _____

being a Member/Members of Frontier Springs Limited hereby appoint

_____ of _____

(or failing him) _____ of _____

(or failing him) _____ of _____

as my/our Proxy to attend and vote for me/us and on my/our behalf at the Thirtieth Annual General Meeting of the Company to be held on Thursday, 30 September, 2010 at 12.30 PM. and at any adjournment thereof.

AS WITNESS I/we set my/our hands this _____ day of _____ 2010.

Signature _____

Revenue Stamp Re. 1/-

*Applicable for Investors holding Shares in electronic form.

Note : The Proxy to be valid must be deposited at the Registered Office of the Company at E-14, Panki Industrial Area, Site-I, Panki, Kanpur not less than 48 hours before the time for holding the Meeting. The Proxy need not be a member of the Company.

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