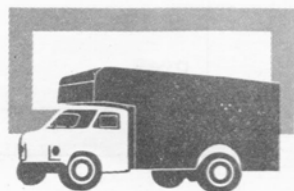
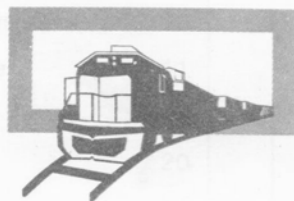
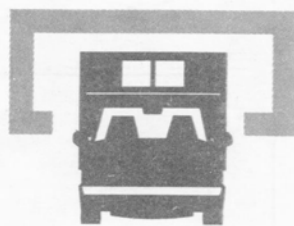


Frontier

YEARS
DEDICATED
TO THE
UNDYING
SPIRIT

Annual Report
2012-2013



FRONTIER
SPRINGS LIMITED

FRONTIER SPRINGS LIMITED

ANNUAL REPORT 2012-2013

BOARD OF DIRECTORS

Shri KUNDAN LAL BHATIA, *Chairman & Managing Director*
Shri KAPIL BHATIA, *Managing Director*
Shri NEERAJ BHATIA
Smt. SUSHMA BHATIA
Smt. MAMTA BHATIA
Smt. SONIA BHATIA
Shri PRADEEP K. GOENKA
Shri R. K. BHATIA
Shri YASHPAL
Shri N.P. SINGH
Shri R.N. TRIVEDI

COMPANY SECRETARY

Shri DEEPAK BHASIN

AUDITORS

M/s. SANJAY NANDANI & 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 – 208005 (U.P.)

REGISTRAR AND SHARE TRANSFER AGENT

M/s. ALANKIT ASSIGNMENT LIMITED
ALANKIT HOUSE, 2E/21,
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.)
- iii) E-14, PANKI INDUSTRIAL AREA
SITE-I, KANPUR – 208022 (U.P.)

CONTENTS

	Page No.
Notice of AGM	2
Directors' Report	3
Corporate Governance Certificate	4
Management Discussion & Analysis	6
Report on Corporate Governance	7
Auditors' Report	15
Balance Sheet	18
Profit & Loss Account	19
Note on Financial Statement	20
Significant Accounting Policies	37
Cash Flow Statement	41

NOTICE

Notice is hereby given that the Thirty Third Annual general meeting of the members of Frontier Springs Limited will be held on Saturday, 28th September, 2013, at 12.30 p.m. At the registered office of the Company at E-14, Panki Industrial Area Site-I, Kanpur-208022 to transact the following businesses:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 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. Narinder Pal Singh who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. Ramesh Narayan Trivedi who retires by rotation and being eligible, offers himself for re-appointment.
5. 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 Nandani & 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."

Registered Office :
E-14, Panki Industrial Area,
Site-1, Panki,
Kanpur-208022
Dated : 14.08.2013

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 Register of Members and the Share Transfer Books of the Company will be closed from 22nd September to 28th September, 2013 (both dates inclusive) for the purpose of Annual General Meeting.
- 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.
- Corporate Members intending to send their Authorized 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.
- The relevant details in respect of Directors seeking appointment and reappointment pursuant to Clause 49 of the Listing Agreement are enclosed herewith marked as Annexure 'A' to this Notice.

DIRECTORS' REPORT

Dear Shareholders,

Your directors have pleasure in presenting the Thirty Third Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2013.

FINANCIAL RESULTS

	(Rs. in Lacs)	
Particulars	2012-13	2011-12
Income from Operation	3,918.17	3591.92
Profit Before Int., Dep. & Tax	455.76	516.74
Interest	77.42	58.43
Depreciation	107.45	83.64
Profit/(loss) Before Tax	270.89	374.67
Income Tax :		
Current year Tax	(52.64)	(76.42)
Deferred Tax	(17.75)	(13.85)
Profit/(Loss) After Tax	200.49	284.13
Profit/(Loss) B/f from P.Y.	1,130.67	992.32
Transfer to General Reserve	0.00	100.00
Balance available for appropriation	1,331.16	1276.45
Proposed Dividend /		
Dividend Tax Paid	6.39	45.78
Profit/(Loss) transferred to Reserves & Surplus	1,324.77	1130.67

OPERATIONS

The operation of the Company during the financial the year under review increased with turnover of Rs. 3918.17 Lacs as against Rs. 3591.92 Lacs in preceding year. The net profit during the year was lower at Rs. 200.49 Lacs as against Rs. 284.13 Lacs in the preceding year. The recessionary conditions, flagging demand coupled with depressed price realization brought the overall turnover and profitability of the Company under pressure. However, best possible efforts are being made to increase the production as the market is indicating revival signs, Therefore, we are confident for a better performance in near future.

DIVIDEND

As already reported in the previous year's Directors' Report, your Company has completed the setting up of forging plant for manufacturing of forging items for supply to Indian Railways and other Heavy Industries The Company is in the process of increasing the capacity of the existing plant. To conserve resources for the expansion of the plant and to consolidate the financial position of the company, your Directors consider it prudent not to recommend any dividend for the year.

EXPANSION

As already reported in the previous year's Directors' Report your company has completed the setting up of forging plant at it is own land and building at E-14, Panki Industrial Area, Site-I, Kanpur in the vicinity of Kanpur District in the State of Uttar Pradesh for manufacturing of forging items for supply to Indian Railways and other Heavy Industries that would add to the profitability of the company in the near future. The Company has installed two hammer capacity of 2 Ton & 3Ton each with total production capacity of 300 Mt p.m. Your Company has obtained the approval of Research Design & Standard Organization (R.D.S.O.) for manufacturing of Hanger for Bogie Bolster & Block Hanger and has also started supply of forgings for Draft gear RF 361 to all the draft gear manufacturers in India such as Texmaco, Titagarh Wagons, HEI etc., Samples of Draft gear forging has also been send to Miner Enterprises Inc., USA for their approval.

DIRECTORS

Pursuant to the provisions of the Companies Act, 1956 and Articles of the Association of the Company, Smt. Sushma Bhatia, Shri Narinder Pal Singh and Shri Ramesh Narayan Trivedi, 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 Nandani & 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.

AUDITORS' REPORT

Explanation to point (i)

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 (ii)

Since in our Company the costs are variable according to drawing and design of springs and forging products and it is not possible to ascertain the cost of each spring and forging product. Hence the Company values the finished goods as net realizable cost since past and Income Tax and Excise department also accept this method.

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, 1956, the Directors of the company state in respect of the year ended 31st March, 2013 that: -

(a) That in preparation of Annual Account, the applicable Accounting Standards have been followed along with proper explanation relating to material departure.

(b) 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.

(c) 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 ongoing concern basis.

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

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 'U.P. Stock Exchange Ltd.', Kanpur, being the Regional Stock Exchange, as well as the 'BSE Ltd.', Mumbai. The delisting certificate from Calcutta Stock Exchange is awaited. The Listing fees to the Stock Exchanges have been paid up to date.

ACKNOWLEDGEMENTS

Yours 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.

For and on behalf of the Board

Place : Kanpur

K. L. BHATIA

Date : 14.08.2013 *Chairman and Managing Director*

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members of Frontier Springs Limited,

We have examined the compliance of the conditions of the Corporate Governance by Frontier Springs Limited for the Financial year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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.

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
F.C.S. 2589

Place : Kanpur

Date : 14.08.2013

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, 2013.

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 for its plant situated at Rania, which will not only reduce the energy consumption but will also help in preserving and maintaining ecological balance and promoting environmental protection.
The company has entered into an agreement with Central UP Gas Limited for supply of CNG at its new plant situated at Kanpur and has also installed gas base furnaces at the plant. |
| (b) Additional Investment and proposals, | The Company is constantly on the watch for if any, being implemented for reduction for various modes and areas of conservation of consumption of energy. 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 | As the Company is not engaged in any Scheduled industry, the detail relating to conservation in the prescribed Form 'A' being inapplicable is 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 explorations 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 and 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 Dehat and Paonta Sahib.

(III) Technology Imported – NIL

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: -

	<i>(Rs. in Lacs)</i>	
	Current Period	Previous Period
	(2012-13)	(2011-12)
a) Foreign Exchange Earnings	100.30	45.29
b) Foreign Exchange Outgo	43.89	85.40

Place : Kanpur
Date : 14.08.2013

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

OPPORTUNITIES & THREATS

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

PRODUCTWISE PERFORMANCE

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

RISKS AND CONCERNS

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.

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.

Your Company is fully compliant with all the provisions of Clause 49 of the Listing Agreement of the Stock Exchanges. The details of compliance are as follows:-

BOARD OF DIRECTORS

Composition of the Board (F.Y. 2012-13) :

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
Smt. Mamta Bhatia	Whole Time Director	Promoter/ Executive	37938	0.96
Smt. Sonia Bhatia	Whole Time Director	Promoter/ Executive	69840	1.77
Sh. Ramesh Narayan Trivedi	Director	Independent	500	0.012
Sh. Narinder Pal Singh	Director	Independent	Nil	Nil

* Resigned from the Directorship on 29.05.2013

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

Name of Director	Attendance Particulars		Number of other Directorships ¹ and Committee Membership/ Chairmanship		
	No. of Board Meetings	Last AGM Attended	Other Directorship	Committee Membership	Committee Chairmanship
K. L. Bhatia	4	YES	—	—	—
Kapil Bhatia	4	YES	—	—	—
Neeraj Bhatia	4	YES	—	—	—
Sushma Bhatia	4	YES	—	—	—
Prem Sagar	4	YES	1	3	3
Pradeep K. Goenka	4	YES	3	5	3
R. K. Bhatia	4	YES	—	—	—
Yashpal	4	YES	—	—	—
Mamta Bhatia	4	YES	—	—	—
Sonia Bhatia	4	YES	—	—	—
Ramesh Narayan Trivedi	1	YES	1	4	1
Narinder Pal Singh	4	YES	—	—	—

¹ Number of Directorship excludes Directorship in private limited companies.

THIRTY THIRD ANNUAL REPORT

Details of Board Meetings held during the year 2011-2012 :

Date of Meeting	No. of Directors Present
28.05.2012	11
13.08.2012	10
19.11.2012	10
09.02.2013	12

The time gap between any two meetings did not exceed four months.

The last AGM was held on 22.09.2012.

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 2012-13
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
Shri Ramesh Narayan Trivedi	Member	Independent and Non Executive Director	1
Shri. Narinder Pal Singh	Member	Independent and Non Executive Director	4

The Company Secretary acts as Secretary to the Audit Committee. During the year 2012-2013 the Committee met four times on 28th May, 2012, 13th Aug, 2012, 09th Nov, 2012 and 09th Feb 2013 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
Shri Yashpal	Chairman	Independent and Non Executive Director
Shri P. K. Goenka	Member	Independent and Non Executive Director
Shri R. K. Bhatia	Member	Independent and Non Executive Director
Shri Ramesh Narayan Trivedi	Member	Independent and Non Executive Director
Shri Narinder Pal Singh	Member	Independent and Non Executive Director

The Company Secretary acts as Secretary to the Remuneration Committee. During the year 2012-2013, the Committee never met.

The details of remuneration paid to all Directors during the year 2012-13 :

Sr. No.	Name of Director	Remuneration (Rs. in lacs)				
		Sitting Fees	Salary	LTC	Perquisites	Incentive
1.	Shri K. L. Bhatia	—	19.50	1.05	1.01	4.99
2.	Shri Kapil Bhatia	—	16.25	2.85	0.63	8.37
3.	Shri Neeraj Bhatia	—	16.25	5.00	0.63	8.37
4.	Smt. Sushma Bhatia	—	13.00	—	1.01	—
5.	Shri Yashpal	0.40	—	—	—	—
6.	Shri Pradeep K. Goenka	0.40	—	—	—	—
7.	Shri Prem Sagar	0.40	—	—	—	—
8.	Shri R. K. Bhatia	0.20	—	—	—	—
9.	Shri Ramesh Narayan Trivedi	0.10	—	—	—	—
10.	Shri. Narinder Pal Singh	0.40	—	—	—	—
11.	Smt. Mamta Bhatia	—	15.60	2.85	—	—
12.	Smt Sonia Bhatia	—	13.00	—	—	—

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 2012-13
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
Shri Ramesh Narayan Trivedi	Member	Independent and Non Executive Director	1
Shri. Narinder Pal Singh	Member	Independent and Non Executive Director	4

The Company Secretary acts as Secretary to the Investors' Grievance Committee. During the year 2012-2013 the Committee met four times on 28th May, 2012, 13th Aug, 2012, 09th Nov, 2012 and 09th Feb 2013 respectively.

CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT

The Board 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 2013-2014.

K. L. Bhatia
Chairman & Managing Director

CEO/CFO CERTIFICATION

We, Kundan Lal Bhatia, Chairman & 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 : 14.08.2013

KUNDAN LAL BHATIA
Chairman & Managing Director

NEERAJ BHATIA
Chief Financial Officer

GENERAL BODY MEETINGS

Last three Annual General Meetings :

No. of AGM & F.Y.	Date & Time	Location	Special Resolution(s) Passed
30th AGM 2009-2010	30-09-10 at 12.30 p.m.	E-14, Panki Industrial Area Site-I , Kanpur - 02	(1) Increase in Remuneration payable to Executive Directors of the Company. (2) Appointment of Manager Commercial under provisions of section 314 of the Companies Act, 1956.
31st AGM 2010-2011	30-09-11 at 12.30 p.m.	Hotel Royal Cliff Kanpur	No special resolution was passed
33rd AGM 2011-2012	22-09-12 at 12.30 p.m.	Hotel Royal Cliff Kanpur	Increase in Remuneration payable to Executive Directors of Company.

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 '30' 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.

DETAILS OF SHAREHOLDERS' COMPLAINTS DURING THE YEAR 2012-2013

The total numbers of complaints/ queries received and replied to the satisfaction of shareholders during the year 2012-2013 were 233. There were no outstanding complaint/ queries as on 31st March 2013.

There were no pending share transfers in physical as well as in Demat category. All the requests received up to 31st March 2013 for share transfer have been processed within stipulated time.

COMPLIANCE OFFICER

Shri Deepak Bhasin is the Compliance Officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 and the listing agreements with the stock exchanges of India.

SHARE TRANSFER AGENTS

M/s ALANKIT ASSIGNMENTS LIMITED, New Delhi are the Share Transfer Agents.

NOMINATION FACILITY

Shareholders holding physical shares may file nominations in prescribed Form 2B of the Companies (Central Government's General Rules and Forms), 1956 to the Registrar and Transfer Agents of the Company. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the nomination facility.

DEMATERIALIZATION OF SHARES AND LIQUIDITY

The shares of the Company are under the category of compulsory delivery in dematerialized mode by all categories of investors. The shares are available for trading with both the depositories namely, National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2013, over 82.96% of the shares of the Company are already dematerialized. The status of the equity shares of the Company is furnished below :

Total No. of Equity Shares	: 3938511
Total No. of Shareholders	: 4731

THIRTY THIRD ANNUAL REPORT

RECONCILIATION OF SHARE CAPITAL AUDIT

A Practicing Company Secretary of the Institute of Company Secretaries of India, has carried out the Reconciliation of Share Capital Audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

DISTRIBUTION OF HOLDING

The table below shows the distribution of shareholding of various groups as on March 31, 2013

Shares holding value of			Shareholders									
Rs.	Rs.	Physical Number	NSDL Number	CSDL Number	Total Number	%	Physical (in Rs.)	NSDL (in Rs.)	CDSL (in Rs.)	Total (in Rs.)	%	
1 to 100	100	1,902	628	209	2,739	57.895	1,85,792	53,770	15,216	2,54,778	6.469	
101 to 500	500	895	462	172	1,529	32.319	2,29,323	1,35,764	53,514	4,28,601	10.882	
501 to 1,000	1,000	70	111	50	231	4.883	62,130	96,986	42,923	2,02,039	5.13	
1,001 to 5,000	5,000	34	90	33	157	3.319	68,340	2,17,169	65,267	3,50,776	8.906	
5,001 to 10,000	10,000	2	11	5	18	0.38	13,900	83,059	35,405	1,32,364	3.361	
10,001 to 20,000	20,000	0	5	2	7	0.148	0	67,915	30,282	98,197	2.493	
20,001 to 30,000	30,000	1	3	9	13	0.275	25,000	70,490	2,33,501	3,28,991	8.353	
30,001 to 40,000	40,000	0	1	14	15	0.317	0	37,938	4,61,557	4,99,495	12.682	
40,001 to 50,000	50,000	0	4	2	6	0.127	0	1,77,636	89,809	2,67,445	6.791	
50,001 to 1,00,000	1,00,000	1	10	1	12	0.254	76,600	7,36,455	58,560	8,71,615	22.131	
1,00,001 to 5,00,000	5,00,000	0	4	0	4	0.085	0	5,04,210	0	5,04,210	12.802	
5,00,001 to ABOVE	ABOVE	0	0	0	0	0	0	0	0	0	0	
TOTAL		2,905	1,329	497	4,731	100	6,71,085	21,81,392	10,86,034	39,38,511	100.000	

The table below shows the distribution of promoter and non-promoter shareholding as on March 31, 2013

Category	No. of share held	Percentage of Holding
A. Promoter's Holding	2057865	52.250
B. Non Promoter's Holding		
I. Institutional Investors		
Financial Institutions / Banks	400	0.01
II. Others		
Bodies Corporate	347185	8.815
Individuals	1522276	38.651
Non Resident Indians	10785	0.274
GRAND TOTAL	3938511	100

STOCK PRICE DATA

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)	Delive Quantity	% of Del. Quantity to Traded Quantity	Spread High-Low	Spread Close-Open
12 - Apr.	28	31	24.75	28	12,094	174	3,28,870	9,838	81.35	6.25	0
12 - May	28.5	33.95	23.55	26	11,061	461	2,90,631	8,782	79.4	10.4	-2.5
12 - Jun.	26.55	27.95	22	23.95	16,814	366	3,93,415	15,671	93.2	5.95	-2.6
12 - Jul.	24.95	27	22.6	23	11,580	214	2,71,002	11,580	100	4.4	-1.95
12 - Aug.	23.95	24	20.1	22	29,891	283	6,61,353	29,220	97.76	3.9	-1.95
12 - Sep.	22.1	28.8	21.1	26.9	30,922	531	7,54,937	26,928	87.08	7.7	4.8
12 - Oct.	27	28	22.45	24.7	24,126	772	6,06,230	20,068	83.18	5.55	-2.3
12 - Nov.	26.05	30.5	23.5	27.85	10,361	548	2,73,665	9,451	91.22	7	1.8
12 - Dec.	28	28.75	24	26.05	13,184	573	3,43,396	11,906	90.31	4.75	-1.95
13 - Jan.	25.65	29	23.75	25.1	28,328	1,001	7,30,355	23,166	81.78	5.25	-0.55
13 - Feb.	25.15	28.4	20.35	22.85	19,065	1,023	4,65,598	16,314	85.57	8.05	-2.3
13 - Mar.	21.5	26	15.25	19.75	37,475	1,549	7,34,186	30,658	81.81	10.75	-1.7

DISSEMINATION OF INFORMATION

The Company has established systems and procedures to disseminate relevant information to its stakeholders including shareholders, auditors, suppliers, customers, employees and financiers. The primary source of information regarding the operations of the Company, including the quarterly results, can be viewed on the Company's website www.frontiersprings.co.in.

MEANS OF COMMUNICATION

The Un-audited Financial Results for every quarter and audited financial results for the year ended 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 Financial Express, Rashtriya Sahara.

GENERAL SHAREHOLDERS INFORMATION

33rd Annual General Meeting	
Day, Date, Time and Venue	Saturday, 28th September, 2013 at 12.30 p.m. at the Registered Office of the company situated at E-14, Panki Industrial Area, Site-I, Kanpur-208 022.
Dates of Book Closure	From 22nd September to 28th September 2013 (both days inclusive)
Dividend payment date	The dividend, if declared, will be paid on or after 27th September, 2012 but within the statutory time limit of 30 days
Registered Office	E-14, Panki Industrial Area Site-I, Kanpur-2080 22 U.P.
Plant Location	<ul style="list-style-type: none"> - KM 25/4, Kalpi Road, Rania, Kanpur Dehat-209 304 (U.P.) - Rampur Ghat Road, Village Kunja, Tehsil Paonta Sahib, Distt. Sirmour (H.P.) - E-14, Panki Industrial Area Site-I, Kanpur-2080 22 (U.P.)
Compliance Officer	<p>Shri Deepak Bhasin - Company Secretary</p> <p>Tele: (0512) 2691207, (0512) 2691208 Fax: (0512) 2691209</p> <p>Email ID: c.s@frontiersprings.co.in, Website: www.frontiersprings.co.in</p>
Share Transfer Agent	<p>M/s ALANKIT ASSIGNMENTS LIMITED</p> <p>Alankit House, 2E/21,</p> <p>Jhandewalan Extension, New Delhi – 110 055.</p> <p>Email : lalitap@alankit.com</p>
Share Transfer System	The Share transfers in physical form are presently processed and the Share Certificates returned within a period of 20 days from the date of receipt, if the documents being valid and complete in all respects.
Tentative dates for considering Financial Results	<p>Quarter ending June 30, 2013 – 2nd week of August 2013</p> <p>Quarter ending September 30, 2013 – 2nd week of November 2013</p> <p>Quarter ending December 31, 2013 – 2nd week of February 2014</p> <p>For the year ending March 31, 2014 – 3rd week of May 2014</p>
Listing on Stock Exchanges & Stock Code	<p>STOCK CODE BSE : 522195</p> <ol style="list-style-type: none"> 1. BSE Limited, PJ Towers, Dalal Street, Fort, Mumbai - 400 001 2. U.P. Stock Exchange Limited, Kanpur (Regional Stock Exchange) 14/113, Civil Lines, Padam Tower, Kanpur-208 001
Listing fee	Listing fees for the year 2012-2013 has been paid to the stock exchanges, within the stipulated period, where the equity shares of the Company are listed. Delisting Certificate from Calcutta Stock Exchange is awaited.
ISIN No	INE572D01014 for NSDL and CDSL.

ANNEXURE 'A'**Details of the Directors seeking appointment / re-appointment in forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)**

Name of Director	Smt. Sushma Bhatia	Shri Narinder Pal Singh	Shri Ramesh Narayan Trivedi
Date of Birth	10/4/1944	05/09/1943	07/02/1948
Date of Last Re-Appointment	31/09/2010	30/09/2011	30/09/2011
Expertise in specific functional areas	Wide experience in Business Administration	Wide experience in Production & Sales	Wide Experience in Administration & Finance
Qualifications	Graduate	B.E. (Mechanical)	Retd. I. A. S.
Directorship held in other public companies (excluding foreign companies)	NIL	NIL	1.COAL INDIA LTD.
Shareholdings in the Company	Ordinary Shares – 95782	NIL	Ordinary Shares – 500

AUDITORS' REPORT**INDEPENDENT AUDITOR'S OPINION**

Auditor's Report to the Members of Frontier Springs Limited.

Report on the Financial Statement

We have audited the accompanying financial statements of Frontier Springs Limited which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section 3(C) of section 211 of Companies Act, 1956("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud and error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements. We believe that audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in

the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) Balance of sundry debtors, sundry creditors and sundry advances are subject to confirmation from respective parties (referred note no. of Note on Accounts).
- ii) Inventory of finished goods are valued at net realisable value (referred Note no. J of significant Accounting policies).
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
 - (b) in the case of the Statement of profit and Loss, of the profit of the Company for the year ended on the date, and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on the date.

Report on Other Legal and Regulatory Requirements

1. As required by the Company (Auditor's Report) order, 2003 ("the Order") issued by the Central Governments of India in terms of sub-section (4A) of section 227 of Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statements dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement Comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

Sanjay Nandani & Co.
229, IInd Floor,
City Centre, The Mall,
Kanpur
Date : 29.05.2013

For SANJAY NANDANI & CO.
Chartered Accountants
Firm's Regn. No. : 006941C
SANJAY MALHOTRA
Partner
Membership No. 71140

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph III of the Auditor's Report to the Shareholders of Frontier Springs Limited on the financial statement for the year ended 31st March, 2013.

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 balance outstanding Rs.1,24,65,000.00 from corporate body listed in the register maintained under Section 301 of the Companies Act,1956 and has repaid amounting Rs.12,20,216.00 towards interest. 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. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 in respect to the manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the records.
9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees State Insurance, Excise Duty, Service tax, Income tax, Sales tax and any other statutory dues have been generally regularly deposited with the appropriate authorities within the stipulated time except some delay in deposit of T.D.S., Excise, & Service Tax. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were 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) The disputed statutory dues aggregating Rs.2.19 lacs, that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Sl. No.	Name of Statute	Nature of dues	Amount (in Lacs)	Period to which the amount relates	Forum where dispute is pending
1.	Central sales tax Act,1956 and Sales tax Act of U.P.	Penalty	2.19	2000-01 2001-02	High Court Allahabad

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 in the 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 (Auditors 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 not utilising any term loan facility for Plant & Machinery. However, there are Car loans as found by us and as explained and informed to us by management.
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 Nandani & Co.
229, IInd Floor,
City Centre, The Mall,
Kanpur
Date : 29.05.2013

For SANJAY NANDANI & CO.
Chartered Accountants
Firm's Regn. No. : 006941C
SANJAY MALHOTRA
Partner
Membership No. 71140

BALANCE SHEET AS ON 31ST MARCH, 2013

	Note No.	Figure as at 31st March, 2013 Rs.	Figure as at 31st March, 2012 Rs.
I. Equity & Liabilities			
1. Share'sholder Funds			
Share Capital	1	3,96,32,110.00	3,96,32,110.00
Reserves and Surplus	2	17,45,05,468.37	15,50,95,142.65
2. Non-current Liabilities			
Long-term Borrowings	3	1,40,63,582.00	1,28,59,226.82
Other Long-term Liabilities	4	0.00	0.00
Long-term Provisions	5	0.00	0.00
Deferred Tax Liabilities (Net)	6	1,13,30,042.00	95,54,855.00
3. Current Liabilities			
Short-term Borrowings	7	4,96,38,569.66	5,11,50,074.52
Trade Payables	8	6,24,87,177.80	5,98,52,213.17
Other Current Liabilities	9	30,48,869.00	29,97,249.00
Short-term Provisions	10	1,05,29,108.35	1,17,13,641.31
Total		36,52,34,927.18	34,28,54,512.47
II. Assets			
1. Non-current Assets			
Fixed Assets			
Tangible Assets	11	16,14,98,442.07	13,97,00,062.61
Intangible Assets			
Capital Work In Progress	11	14,08,485.00	71,75,407.19
Intangible Assets Under Development	11	3,45,026.00	0.00
Non-current Investments	12	28,43,825.06	31,43,825.06
Long-term Loans & Advances	13	1,12,62,369.00	82,33,305.00
2. Current Assets			
Inventory	14	9,45,78,645.62	8,05,30,343.72
Trade Receivables	15	7,25,92,065.74	8,44,34,653.40
Cash and Cash Equivalents	16	1,38,33,369.02	1,42,14,694.77
Short-term Loans and Advances	17	16,32,069.25	10,76,890.30
Other Current Assets	18	52,40,630.42	43,45,330.42
Total		36,52,34,927.18	34,28,54,512.47
Significant Accounting Policies and Notes on Financial Statements	A to W & 1 to 32		

As per our Report of even date.

For SANJAY NANDANI & CO.

Chartered Accountants

Firm Registration No. 006941 C

SANJAY MALHOTRA

Partner

Membership No. 71140

Place : Kanpur

Date : 29.05.2013

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, 2013

	Note No.	Figure as at 31st March, 2013 Rs.	Figure as at 31st March, 2012 Rs.
INCOME			
I. Revenue from Operations	19	39,18,17,384.00	35,91,91,199.00
II. Other Income	20	21,84,436.75	15,14,934.50
III. Total Revenue (I + II)		39,40,01,820.75	36,07,06,133.50
IV. Expenditure :			
Cost of Material Consumed	21	20,76,09,967.49	19,25,32,848.27
Changes In Inventories of Finished Goods and Stock-in-process	22	(1,91,15,911.30)	(1,92,20,462.49)
Employee Benefits Expenses	23	1,34,42,440.40	1,20,99,663.00
Finance Cost	24	77,42,769.20	58,43,069.00
Depreciation and Amortisation Expenses	25	1,07,44,867.81	83,63,849.42
Other Expenses	26	14,64,88,839.43	12,36,20,589.03
Total Expenses		36,69,12,973.03	32,32,39,556.23
V. Profit Before Exceptional and Extraordinary Items and Tax (III- IV)		2,70,88,847.72	3,74,66,577.27
VI. Exceptional Items		0.00	0.00
Vii. Profit Before Extraordinary Items and Tax (V - VI)		2,70,88,847.72	3,74,66,577.27
VIII. Extraordinary Items		0.00	0.00
Ix. Profit Before Tax (Vii- Viii)		2,70,88,847.72	3,74,66,577.27
X. Tax Expenses			
(1) Current Tax		(52,64,150.00)	(76,68,514.00)
(2) Deferred Tax		(17,75,187.00)	(13,85,144.00)
XI. Profit (Loss) for the period from Continuing Operations (X- XI)		2,00,49,510.72	2,84,12,919.27
XII. Profit (Loss) for Discontinuing Operations		0.00	0.00
XIII. Tax Expenses of Discontinuing Operations		0.00	0.00
Xiv. Profit (Loss) for Discontinuing Operations (After Tax) (XII- XIII)		0.00	0.00
XV. Profit (Loss) For The Period (XI + XIV)		2,00,49,510.72	2,84,12,919.27
XVI. Earning Per Equity Share of Face Value of Rs.10 Each	27		
(1) Basic		5.09	7.22
(1) Diluted			
Significant Accounting Policies and Notes on Financial Statements	A to W & 1 to 32		

As per our Report of even date.

For SANJAY NANDANI & CO.

Chartered Accountants

Firm Registration No. 006941 C

SANJAY MALHOTRA

Partner

Membership No. 71140

Place : Kanpur

Date : 29.05.2013

For and on behalf of Board of Directors

K. L. BHATIA

Chairman & Managing Director

DEEPAK BHASIN
Company Secretary

KAPIL BHATIA
Managing Director

THIRTY THIRD ANNUAL REPORT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	As at 31.03.2013	(Rs. in Lacs) As at 31.03.2012
A) Cash Flow From Operating Activities		
Net Profit Before Tax	270.89	374.67
Item Adjustment For :-		
Depreciation & Amortisation Expenses	107.45	83.64
Interest Expenditure (Bank & Loan)	77.43	58.43
Rental Income	(0.60)	(3.30)
Interest Income	(12.30)	(11.57)
Dividend Income	(0.76)	(0.28)
Fluctuation In Foreign Currency	(6.85)	0.00
Entry Tax Recoverable	(1.33)	0.00
Loss On Sale Of Car Taken As Extra Ordinary Item	10.38	2.28
Long Term Capital Loss	2.71	3.30
Hire Charges	1.65	3.18
Operating Profit Before Working Capital Changes	448.67	510.35
Adjustment For :-		
Inventories	(140.49)	(238.58)
Sundry Debtors	118.43	(123.59)
Loan & Advances	(44.80)	9.29
Sundry Creditors	26.35	170.57
Sundry Provisions	(11.33)	10.14
Cash Generated From Operations	396.83	338.18
Extra Ordinary Items	(13.09)	(5.58)
Tax Paid	(52.64)	(76.69)
Net Cash (Used In)From Operation Activities (A)	331.10	255.91
(B) Cash Flow From Investing Activiting :		
Increase In Fixed Assets	(295.76)	(396.08)
Investment	3.00	13.00
Sale Of Fixed Assets	24.55	5.63
Interest Received	12.30	11.57
Dividend Received	0.76	0.28
Fluctuation In Foreign Currency	6.85	0.00
Entry Tax Recoverable	1.33	0.00
Rent Received	0.60	3.30
Net Cash (Used In)/From Investing Activities (B)	(246.37)	(362.30)
C) Cash Flow From Financing Activities		
Proceeds From Share Capital	0.00	0.00
Proceeds (Adjustment) From Capital Subcidy	0.00	0.00
Proceeds/(Repayment) From Short Term Barrowings	(15.12)	217.67
Proceeds/(Repayment) Of Unsecured Loan	12.04	(40.32)
Dividend Paid (Including Dividend Distribution Tax)	(6.39)	(45.78)
Interest Paid (Bank & Loan)	(77.43)	(58.43)
Hire Charges	(1.65)	(3.18)
Net Cash(used In)/From Financing Activities (C)	(88.55)	69.96
Net(decrease)/Increase In Cash And		
Cash Equivalents (A+B+C)	(3.82)	(36.43)
Cash And Cash Equivalents-opening	142.15	178.58
Cash And Cash Equivalents-closing	138.33	142.15

As per our Report of even date.

For SANJAY NANDANI & CO.

Chartered Accountants

Firm Registration No. 006941 C

SANJAY MALHOTRA

Partner

Membership No. 71140

Place : Kanpur

Date : 29.05.2013

For and on behalf of Board of Directors

K. L. BHATIA

Chairman & Managing Director

DEEPAK BHASIN
Company Secretary

KAPIL BHATIA
Managing Director

SIGNIFICANT ACCOUNTING POLICIES

Company overview

FRONTIER SPRINGS LTD. is a Listed Public Limited Company having its registered office at E-14, Panki Industrial Area Site-1, Kanpur and is mainly engaged in the production of L.B.Springs and Hot Coiled compression Spring and forging items for Wagon, Locomotives and Carriage and are regularly supplying to Railways, Bogie Manufactures, Chittaranjan Locomotive Works, Diesel Locomotive Works, Integrate Coach Factory, Rail Coach Factory. In addition to the supply to the Railways, the Unit is also supplying the Springs to Heavy Engineering Industries & original Earth Movers Equipment manufacturers i.e. BEML, TELCON, Bharat Heavy Electricals Ltd.

Since last about 32 years FRONTIER SPRINGS LTD. is registered with RDSO (Ministry of Railways) for supply of springs to Indian Railways and the unit has developed large number of springs as per the latest specification of the RDSO.

The Company has set up three plants to meet the demand requirements of the above stated Industries at 1. Km 25/4, Rania Kanpur Dehat, 2. 91/2, Kunja, Paonta Sahib, Sirmoar, Himanchal Pradesh, 3. Forging Unit at E-14, Site No.1, Panki Industrial Area, Panki, Kanpur.

A. Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

B. Use of Estimates

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

C. Own Fixed Assets

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

D. Leased Assets

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

E. Intangible Assets

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

F. Depreciation and Amortisation

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

prescribed in Schedule XIV of the Companies Act, 1956, over a period of one year from the date of acquisition.

G. Impairment of Assets

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

H. Foreign Currency Transactions

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

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

I. Investments

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on Management's intention at the time of purchase. Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

J. Inventories

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

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

Closing stock of Finished goods & Scrap amounting to Rs.1,65,52,457.94 (Pre.Yr.Rs.1,19,17,767.89) includes the amount of Excise duty, education cess and higher secondary education cess on excise amounting to Rs.13,15,928.00 (Pre.Yr.Rs.7,67,407.00). 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.

K. Revenue Recognition

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

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

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

M. Retirement benefits to employees Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit retirement plans ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

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

Provident fund

Eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company's contribution to Provident Fund and Family Pension Fund is charged to profit & loss account.

N. Employee Separation Costs

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

O. Borrowing Costs

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

P. Financial Derivatives and Commodity Hedging Transactions

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

Q. Accounting for Oil and Gas Activity

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

R. Provision for Current and Deferred Tax

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

S. Premium on Redemption of Bonds / Debentures

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

T. Provisions, Contingent Liabilities and Contingent Assets

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

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

- (a) The Company is contingently liable towards Bank guarantee provided to the tune of Rs.151.84 lacs in favour of Indian Railways, B.E.M.L. and H.P.S.E.B and contingently liable towards Letter of credit provided to the tune of Rs.362.82 lacs in favour of M/s SunFlag Iron & Steel Co. Ltd., Upper India Steel Mfg. & Engg. Co. Ltd., Usha Martin Ltd. and Central UP GAS Limited (Prev. Yr. Bank guarantee of Rs. 103.48 lacs in favour of Indian Railways, H.P.S.E.B and Central UP GAS Limited, and Letter of credit of Rs.308.06 lacs in favour of M/s SunFlag Iron & Steel Co. Ltd., Upper India Steel Mfg. & Engg. Co. Ltd., Usha Martin Ltd.).
- (b) The disputed statutory dues aggregating Rs.2.19 lacs, that have not been deposited on account of disputed matters pending before appropriate authorities are as under

SI. No.	Name of Statute	Nature of dues	Amount (in Lacs)	Period to which the amount	Forum where dispute is pending relates
1.	Central sales tax Act, 1956 and Sales tax Act of U.P.	Penalty	2.19	2000-01	High Court Allahabad 2001-02

U. Earnings per share

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

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

V. Cash and cash equivalents

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

W. Cash flow statement

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

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

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

Particulars	Figure as at 31st March, 2013 Rs.	Figure as at 31st March, 2012 Rs.
1. Share Capital		
Authorised Share Capital:		
50,00,000 Equity Shares of Rs. 10/- each	5,00,00,000.00	500,00,000.00
10,000 12% Redeemable Preference Shares of Rs. 100/- Each Redeemable after 5 Years	10,00,000.00	10,00,000.00
Total	<u>5,10,00,000.00</u>	<u>510,00,000.00</u>
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	<u>3,96,32,110.00</u>	<u>3,96,32,110.00</u>

The Company has Only one Class of Shares Referred to as Equity Shares having a par Value of ₹ 10/-. Each Holder of Equity Shares is entitled to one vote per Share.

In the Event of Liquidation of the Company, the Share Holders of Equity Shares will be entitled to receive any of the remaining Assets of the Company, after distribution of all Preferential Amounts. However, no Such Preferential amounts exist currently. The Proportion to the number of Equity Shares held by the Shareholders.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	Figure as at 31st March, 2013 Rs.	Figure as at 31st March, 2012 Rs.
2. RESERVES AND SURPLUS		
Capital Reserve		
Opening Balance	0.00	0.00
Add : Transferred from Surplus	0.00	0.00
Closing Balance	0.00	0.00
Securities Premium Account		
(On 22,27,500 Equity Shares of Rs.10/- Each Per Share Including Premium Received @ 5/- on 49,400 Shres Foefeited)		
Opening Balance	2,20,28,000.00	2,20,28,000.00
Add : On Issue of Shares	0.00	0.00
Closing Balance	2,20,28,000.00	2,20,28,000.00
General Reserve;		
Opening Balance	2,00,00,000.00	1,00,00,000.00
Add : Transferd from Surplus	0.00	1,00,00,000.00
Closing Balance	2,00,00,000.00	2,00,00,000.00
Surplus		
Opening Balance	11,30,67,142.65	9,92,31,920.38
Add : Net Profit After Tax Transferred From Statement of Profit and Loss	2,00,49,510.72	2,84,12,919.27
Amount available for appropriation	13,31,16,653.37	12,76,44,839.65
Appropriations		
Amount Transferred to General Reserve	0.00	1,00,00,000.00
Proposed Dividend	0.00	39,38,511.00
Dividend Tax	6,39,185.00	6,39,185.00
Closing Balance	13,24,77,468.37	11,30,67,142.65
Total	17,45,05,468.37	15,50,95,142.65
3. LONG-TERM BORROWINGS		
(I) Term Loans		
H.D.F.C. Car Loan A/C	0.00	2,18,245.82
Kotak Mahindra Prim. Ltd. Car Loan	8,18,707.00	1,41,584.00
State Bank of India (Car)Term Loan A/C	7,79,875.00	16,26,551.00
State Bank of India (Car)Term Loan A/C (All Car Loan Against Hypothecation of Cars)	0.00	5,57,846.00
Total	15,98,582.00	25,44,226.82
(II) Deposits		
(Inter Corporate Body Deposits)		
Vishpa Rail Equipments Pvt. Ltd.	1,24,65,000.00	1,03,15,000.00
Total	1,24,65,000.00	1,03,15,000.00
Total	1,40,63,582.00	1,28,59,226.82

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars		Figure as at 31st March, 2013 Rs.	Figure as at 31st March, 2012 Rs.
4. OTHER LONG-TERM LIABILITIES			
	Total	0.00	0.00
5. LONG-TERM PROVISIONS			
	Total	0.00	0.00
6. DEFERRED TAX LIABILITIES (NET)			

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

S.No.	Particulars	As At 31 st March, 2013		As At 31 st March, 2012	
		Accumulated Deferred tax Assets	Accumulated Deferred tax Liability	Accumulated Deferred tax Assets	Accumulated Deferred tax Liability
1.	Unabsorbed depreciation and losses	—	—	—	—
2.	Amount Add back u/s 43B Bonus Payable	3,31,218.00	—	3,904.00	—
	Leave encashment payable	1,12,222.00	—	1,41,104.00	—
3.	Difference between book and tax depreciation	—	1,17,73,482.00	—	96,99,863.00
	Total	4,43,440.00	1,17,73,482.00	1,45,008.00	96,99,863.00
	Net Deferred Tax Liability	1,13,30,042		95,54,855.00	

The difference Deferred Tax Liability for the year ended 31st March, 2013 Rs. 17,87,187.00 has been debited to Profit & Loss Account.

7. SHORT-TERM BORROWING

Particulars	Figure as at 31st March, 2013 Rs.	Figure as at 31st March, 2012 Rs.
Working Capital Loan		
State Bank of India C/C A/C (Against Hypothecation of Stock)	2,12,42,577.66	3,08,79,622.52
State Bank of India Book Debts A/C (Against Hypothecation of Book Debts)	2,52,02,763.00	2,02,70,452.00
State Bank of India Slc A/C (Against Hypothecation of Stock & Book Debts)	31,93,229.00	0.00
Total	4,96,38,569.66	5,11,50,074.52

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

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	Figure as at 31st March, 2013 Rs.	Figure as at 31st March, 2012 Rs.
8. TRADE PAYABLES		
(i) Payables for Raw Material & Stores	5,79,57,038.20	5,54,28,741.41
(II) Payables for Services	45,30,139.60	44,23,471.76
Total	6,24,87,177.80	5,98,52,213.17
9. OTHER CURRENT LIABILITIES		
(I) Statutory Liabilities	21,10,061.00	21,06,568.00
(li) Income Tax Payable	4,39,084.00	4,99,654.00
(III) Un-claimed Dividend (2010-11)	1,90,592.00	3,91,027.00
(Iv) Un-claimed Dividend (2011-12)	309132.00	0.00
Total	30,48,869.00	29,97,249.00
10. SHORT-TERM PROVISIONS		
(I) Provisions for Employee Benefits		
Gratuity Insurance Payable	10,40,762.00	2,98,152.00
Leave Encashment Payable	18,79,222.00	15,33,338.00
(II) Provisions		
Proposed Dividend	0.00	39,38,511.00
Other Provisions	76,09,124.35	59,43,640.31
Total	1,05,29,108.35	1,17,13,641.31

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

11. FIXED ASSETS

Name of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as on 01.04.2012 Rs.	Addition during the year Rs.	Trf./Adjustment during the year Rs.	Total as on 31.3.2013 Rs.	Upto 31.03.2011 Rs.	For the Year Rs.	Trf. / Adjustment For year Rs.	Total as on 31.03.2013 Rs.	Balance as on 31.03.2013 Rs.	Balance as on 31.03.2012 Rs.
Lease Hold Land	165621.02	0.00		165621.02	0.00	0.00	0.0		165621.02	165621.02
Free Hold Land	18469971.00	0.00		18469971.00	0.00	0.00	0.00		18469971.00	18469971.00
Building	28900160.47	7307775.44		36207935.91	6830295.09	1058753.80	0.00	7889048.89	28318887.02	22069865.38
Plant & Machinery	111354265.42	14953634.50		126307899.92	46056623.91	5688086.80	0.00	51744710.71	74563189.21	65297641.51
Tools Moulds & Rolls (Iron)	5174046.00	5041212.13		10215258.13	1580942.52	810418.22	0.00	2391360.74	7823897.39	3593103.48
Generator	5058800.00	0.00		5058800.00	533846.05	240293.01	0.00	774139.06	4284660.94	4524953.95
Lab & Testing Equipments	6613813.75	430559.00		7044372.75	768892.94	321850.96	0.00	1090743.90	5953628.85	5844920.81
Office Equipments	2116920.00	961219.00		3078139.00	245366.13	123963.14	0.00	369329.27	2708809.73	1871553.87
Electric Fittings & Equipments	4968859.75	1042380.30		6011240.05	288053.30	265209.93	0.00	553263.23	5457976.82	4680806.45
Furniture & Fixture	2992170.26	1800517.90		4792688.16	2351078.19	210935.49	0.00	2562013.68	2230674.48	641092.07
Vehicles	16491408.60	3050314.00	3826127.00	15715595.60	5172067.89	1557141.56	1370252.00	5358957.45	10356638.15	11319340.71
Computer	2714259.00	411510.00		3125769.00	1493066.64	468214.90	0.00	1961281.54	1164487.46	1221192.36
Total	205020295.27	34999122.27	3826127.00	236193290.54	65320232.66	10744867.81	1370252.00	74694848.47	161498442.07	139700062.61
Previous Year	165430378.00	43432972.27	3843055.00	205020295.27	57237795.24	8363849.42	281412.00	65320232.66	139700062.61	
Capital Work In Progress									1408485.00	7175407.19
Intangible Assets Under Development									345026.00	0.00

11.1 Capital Work-in-progress And Intangible Assets Under Development Include :

i) Rs. 13,45,793.00 On Account Of Workshed Building Work-in-progress Situated At Km-25/4, Kalpi Road Rania, Kanpur Dehat And Rs.62,692.00 On Account Of Plant & Machinery Work-in-progress At Forging Div. Situated At E-14 Panki Industrial Area, Kanpur

(Previous Year Rs. 35,15,510.44 On Account Of Office Building Work-in-progress Situated At 91/02, Kunja Paonta Sahib-h.p. And Rs.1,79,587.00 On Account Of Building Work-in-progress Situated At E-14, Panki Industrial Area, Kanpur And Rs.34,80,309.75 On Account Of Plant & Machinery Work-in-progress At Paonta Sahib-h.p. And Rs. 15,15,897.00 On Account Of Office Building Work-in-progress And Rs. 16,34,876.00 On Account Of Plant & Machinery Work-in-progress At Paonta Sahib-H.P.

ii) Rs. 3,45,026.00 On Account Of Pre-operative Expenses For New Forging Unit At Rania, Kanpur Dehat. (Previous Year Rs. Nil)

11.2 Capital Subsidy Rs. Nil

(Previous Year Capital Subsidy Amounting Rs.30.00 Lacs For Plant & Machinery Granted By Himanchal Pradesh Govt. From Office Of Director Of Industry, Shimla For New Plant Established At Paonta Sahib,H.P.

As per our Report of even date.
For SANJAY NANDANI & CO.
Chartered Accountants
Firm Registration No. 006941 C
SANJAY MALHOTRA
Partner

Place : Kanpur
Date : 29.05.2013

K. L. BHATIA
Chairman & Managing Director

DEEPAK BHASIN
Company Secretary

KAPIL BHATIA
Managing Director

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

12. NON-CURRENT INVESTMENTS

(LONG TERM INVESTMENT)

Trade Investment

Name/title	Quoted or unquoted Shares	No. of Shares/ Mutual Fund	Face Value	Cost (Rs.)	Dividend income	No. of Shares/ Mutual Fund sales	Profit/ Loss on sale	Market value as on 31.03.2013 any date near to (Rs.)
Frontier Alloy Steels Ltd. (Preference Share)	(Un.Q.)	8,000	800000	8,00,000.00	48,000.00	—	—	Not available
Chariot Auto Accessories Ltd.	(Un.Q.)	1,45,000	3,00,000	3,00,000.00	—	1,45,000	2,71,000.00	Not available
I.D.B.I.	(Q.)	150	1,500	48,750.00	—	—	—	12,007.50
S.B.I.	(Q.)	180	1,800	79,810.00	6,300.00	—	—	3,68,100.00
IDEA-IPO	(Q)	230	2,300	17,250.00	—	—	—	24,955.00
B.E.M.L.	(Q)	175	1,400	1,76,593.33	875.00	—	—	25,506.25
B.H.E.L .	(Q)	150	1,250	3,32,386.52	4,350.00	—	—	26,455.50
Bharti Airtel Ltd.	(Q)	150	750	68,030.29	150.00	—	—	43,770.00
H.C.L. Technologies Ltd.	(Q)	100	200	32,371.38	1,000.00	—	—	79,595.00
I.F.C.I.	(Q)	2,500	25,000	1,45,968.14	2,500.00	—	—	65,250.00
Infosys	(Q)	75	375	1,27,661.56	3,525	—	—	2,16,742.50
MRPL	(Q)	500	5,000	40,280.00	500.00	—	—	24,800.00
NTPC LTD.	(Q)	300	3,000	70,382.68	1,275.00	—	—	42,600.00
OMAXE LTD.	(Q)	400	4,000	1,24,940.67	—	—	—	59,620.00
Reliance Communication Ltd.	(Q)	75	750	54,935.96	201.25	—	—	4,140.00
Reliance Infrastructure Ltd	(Q)	25	250	43,110.41	—	—	—	8,116.25
Reliance Industries Ltd.	(Q)	230	1,000	2,89,454.71	1,955.00	—	—	1,77,951.00
Reliance Power Ltd.	(Q)	320	2,000	89,271.48	312.50	—	—	19,696.00
Tata Motors	(Q)	1,000	2,000	1,47,742.92	4,000.00	—	—	53,860.00
Tata Power	(Q)	25	250	32,673.26	—	—	—	2,410.00
Tata Steels Ltd.	(Q)	50	500	42,115.11	600.00	—	—	15,615.00
Siti Cable Network Ltd.	(Q)	300	3,000	29,615.64	—	—	—	6,975.00
Indian Hotels Ltd.	(Q)	500	5,000	50,781.00	500.00	—	—	27,000.00
TOTAL					76,043.75			13,05,165.00

Note:-

- Since the market value of 8,000 preference shares of Frontier Alloy Steels Ltd. is not available with the Company the gain /loss on this investment cannot be ascertained and the same are valued at cost.
- The increase /decrease in market value of Share/Mutual Fund has not been regarded as permanent by the Company, hence no revaluation has been made in the books of account.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	Figure as at 31st March, 2013 Rs.	Figure as at 31st March, 2012 Rs.
13. LONG -TERM LOANS AND ADVANCES		
(Unsecured And Considered Good)		
(A) Advance For Capital Items	76,30,912.00	53,68,962.00
(B) Security Deposits	36,31,457.00	28,64,343.00
Total	1,12,62,369.00	82,33,305.00

13.1 Advance for Capital items include as under:

- Rs.31,52,877/- advance to Unitech Limited on account of booking of a flat at Gurgaon, Rs.1,00,000/- given as advance for building material to suppliers for construction of road.
- Rs. 43,78,035/- given as advance to Nikita marketing, Nondestructive Test Appli. and Mishra Hydraulic Pneumatic (India) on account of purchase of Plant & Machinery against Capital Commitment of 319000 Australian Dollars.

13.2 Security deposits include as under :

- Rs.11,02,038/- deposit for electricity with U.P.S.E.B. and H.P.S.E.B. (Prev.Yr. Rs.11,02,038/-), Rs.8,66,441/- deposit for Gas, with Central U.P.Gas Ltd. (Prev.Yr. Rs.3,54,432/-).
- Rs.14,54,841/- deposit with Indian Railway against warrantee (Prev.Yr.Rs.11,99,736/-), Rs.1,11,202/- deposit with Sales Tax deptt.(Prev.Yr. Rs.1,11,202/-), Rs.27,450/- deposit for gas cylinder with IOC (Prev.Rs.27,450/-).
- Rs.69,485/- deposit for Telephone with BSNL (Prev. Yr. Rs.69,485/-)

14. INVENTORIES

1. Raw Material	2,21,00,544.41	3,12,13,577.83
2. Stock-in-process	4,26,13,130.39	2,81,31,909.14
3. Finished Goods	1,54,40,264.02	1,12,08,371.36
4. Scrap	11,12,193.92	7,09,396.53
5. Furnace Oil	4,93,191.36	6,44,946.29
6. Diesel Oil	1,29,951.81	87,734.08
7. Consumable Stores	68,02,429.20	52,62,135.49
8. Packing Material	5,70,040.51	4,47,500.00
9. Stock-in-transit	53,16,900.00	28,24,773.00
Total	9,45,78,645.62	8,05,30,343.72

14.1 Stock-in-Transit of Rs. 53,16,900/- (includes Raw material of Rs. 51,11,261/-, Machinery Spares of Rs.32,130/- and Consumable stores of Rs.1,73,509/-) are entered in books as Stock-In-Transit due to non receipt of goods by 31.03.2013 and subject to reconciliation of the account of supplier. The materials have been received on 02.04.2013.

15. SUNDRY DEBTORS

(Unsecured But Considered)		
Debts Due For Less Than Six Months	7,04,57,172.04	7,78,26,722.00
Debts Due For More Than Six Months	21,34,893.70	66,07,931.40
Total	7,25,92,065.74	8,44,34,653.40

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	Figure as at 31st March, 2013 Rs.	Figure as at 31st March, 2012 Rs.
16. CASH AND CASH EQUIVALENTS		
(A) Cash In Hand	3,12,195.10	3,76,153.03
(B) Balance With H.D.F.C Bank Ltd.	4,64,194.21	1,64,219.21
(C) Balance With S.B.I. Sme Power Pack A/C	10,53,267.19	1,03,630.93
(D) Balance With P.N.B. Current A/C (Gratuity)	11,919.00	11,919.00
(E) Balance With S.B.I. Sme Power Pack (Paonta)	1,19,517.70	6,891.62
(F) Balance With S.B.I. Sme Power Pack (Forging Div.)	56,709.82	1,63,544.98
(G) Balance With Yes Bank Ltd.(unpaid Dividend A/C)	4,99,724.00	3,91,027.00
(H) S.T.D.R. With S.B.I. Agst. Sales Tax	50,000.00	50,000.00
(I) S.T.D.R. With S.B.I. Agst. L/C & B.g.	1,12,60,342.00	1,29,41,809.00
(J) S.T.D.R. With W. Rly.agst. Security	5,500.00	5,500.00
Total	1,38,33,369.02	1,42,14,694.77
16.1 Balance With Yes Bank Ltd.of Rs. 4,99,724/- Is on Account of Unpaid Dividend Rs.1,90,592/- for the Period 2010-11 and Rs. 3,09,132/- for the Period 2011-12.		
17. SHORT-TERM LOANS AND ADVANCES		
LOANS & ADVANCES		
(Unsecured But Considered Good)		
i) Advance to Trade Supplier	1,63,418.47	3,87,456.47
ii) Advance to Staff Agst. Salary	6,31,880.00	3,57,870.00
iii) Advances for Expenses	17,127.50	9,068.50
iv) Prepaid Expenses	8,19,643.28	3,22,495.33
Total	16,32,069.25	10,76,890.30
18. OTHER CURRENT ASSETS		
Accrued Interest on STDR	5,28,750.42	11,08,782.42
Cenvat Recov. (Input)	3,16,557.00	1,54,076.00
Cenvat Recov. (C. Goods)	27,00,311.00	12,13,339.00
Cenvat Deferred (C. Goods)	5,39,545.00	14,12,505.00
Cess Duty Recov. (C. Goods)	45,245.00	20,004.00
Cess Duty Deferred (C. Goods)	10,488.00	23,931.00
Cess Duty Recov. Input	6,697.00	3,720.00
Cess on Service Tax on Input Services	5,595.00	4,170.00
Entry Tax Recov.	25,117.00	0.00
S.H.E. Cess Duty Deferred (C. Goods)	5,225.00	11,943.00
S.H.E. Cess Duty Recov. (C. Goods)	22,631.00	9,993.00
S.H.E. Cess Duty Recov. (Input)	4,013.00	2,313.00
S.H.E. Cess on Service Tax on Input Services	2,729.00	2,229.00
Personal Ledger Account (Excise & Cess)	56,616.00	29,268.00
Service Tax in Input Services	2,78,144.00	1,97,653.00
Service Tax in Freight (Advance) Deposit	2,316.00	3,075.00
Vat Recov. in Raw Material & Other Purchase	4,96,820.00	1,48,329.00
Vat Defrd. 1st Yr. (C. Goods)	64,610.00	0.00
Vat Defrd. 2nd. Yr. (C. Goods)	64,610.00	0.00
Vat Defrd. 3rd. Yr. (C. Goods)	64,611.00	0.00
Total	52,40,630.42	43,45,330.42

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	Figure as at 31st March, 2013 Rs.	Figure as at 31st March, 2012 Rs.
19. REVENUE FROM OPERATIONS		
GROSS SALES		
Gross Sales		
Sales Central (Coil Agst. C Form)	17,60,95,608.00	24,22,40,438.00
Sales Central (Coil Agst. Full Tax)	18,01,86,624.00	9,61,84,665.00
Sales Central (Grinding Dust Full Tax)	43,543.00	18,795.00
Sales U.P. (Coil Agst. Full Tax)	3,19,51,442.00	3,48,63,310.00
Sales U.P. (Scrap Agst. Full Tax)	20,29,364.00	22,35,763.00
Sales Central (Forging Items Agst. C Form)	77,13,061.00	0.00
Sales Central (Forging Items Agst. full Tax)	88,899.00	0.00
Sales U.P. (forging Items Agst. Full Tax)	1,64,19,587.00	22,49,624.00
Sales H.P. (Scrap Agst. Vat)	15,42,677.00	9,50,355.00
Sales Export	1,00,30,706.00	45,29,177.00
	<u>42,61,01,511.00</u>	<u>38,32,72,127.00</u>
Less : Sales Return	(62,88,175.00)	(18,39,803.00)
	<u>41,98,13,336.00</u>	<u>38,14,32,324.00</u>
Less: Central Excise Duty	(2,79,95,952.00)	(2,22,41,125.00)
	<u>39,18,17,384.00</u>	<u>35,91,91,199.00</u>
20. OTHER INCOME		
Interest on S.T.D.R.	12,30,011.00	11,57,386.00
Dividend Received	76,043.75	27,510.50
Fluctuation in Foreign Currency	6,85,246.00	0.00
Entry Tax Recoverable	1,33,136.00	0.00
Rent From Work Shed Received	60,000.00	3,30,038.00
	<u>21,84,436.75</u>	<u>15,14,934.50</u>
21. COST OF MATERIAL CONSUMED		
Raw Material Consumed		
Opening Stock	3,12,13,577.83	2,99,82,136.75
Add : Purchases	19,84,96,934.07	19,37,64,289.35
(Including Freight, Intt.on L/C & Entry Tax)		
Less : Closing Stock	2,21,00,544.41	3,12,13,577.83
	<u>20,76,09,967.49</u>	<u>19,25,32,848.27</u>

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	Figure as at 31st March, 2013 Rs.	Figure as at 31st March, 2012 Rs.
22. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-PROCESS		
Inventories (At Closing)		
Finished Goods	1,54,40,264.02	1,12,08,371.36
Scrap	11,12,193.92	7,09,396.53
Stock-in- Process	4,26,13,130.39	2,81,31,909.14
	<u>5,91,65,588.33</u>	<u>4,00,49,677.03</u>
Inventories (At Commencement)		
Finished Goods	1,12,08,371.36	1,65,22,255.73
Scrap	7,09,396.53	6,80,494.68
Stock-in- Process	2,81,31,909.14	36,26,464.13
	<u>4,00,49,677.03</u>	<u>2,08,29,214.54</u>
Total	<u>(1,91,15,911.30)</u>	<u>(1,92,20,462.49)</u>
23. EMPLOYEES BENEFIT EXPS.		
Aprentishship Fee	2,550.00	18,600.00
Bonus	10,44,132.00	9,02,565.00
E.S.I.	5,50,950.00	3,68,950.00
Gratuity Insurance	16,92,610.00	10,53,152.00
House Rent Allowance	11,52,180.00	10,31,770.00
Incentive and Compensation	7,16,218.00	6,65,122.00
Leave Encashment	6,75,681.00	6,94,778.00
Medical Expenses	3,00,585.00	2,85,210.00
Retainership Fee	1,19,650.00	1,61,500.00
Provident Fund	14,06,830.00	12,50,253.00
Salary to Administrative & Sales Staff	52,35,100.00	52,64,052.00
Staff Fooding & Welfare	4,97,954.40	3,99,211.00
Staff Training Exps.	48,000.00	4,500.00
Total	<u>1,34,42,440.40</u>	<u>1,20,99,663.00</u>
24. FINANCE COST		
Interest to Bank	65,22,552.80	48,70,541.00
Interest on Unsecured Loan	12,20,216.40	9,72,528.00
Total	<u>7742769.20</u>	<u>58,43,069.00</u>
25. DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation Expenses	1,07,44,867.81	83,63,849.42
Total	<u>1,07,44,867.81</u>	<u>83,63,849.42</u>

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	Figure as at 31st March, 2013 Rs.	Figure as at 31st March, 2012 Rs.
26. OTHER EXPENSES		
(A) Manufacturing Expenses		
Electric Power & Fuel	3,65,00,706.45	3,05,23,833.55
Consumable Stores Consumed	88,45,901.81	86,01,660.39
Generator Repairing & Maintenance	1,74,044.76	2,01,656.40
Freight & Cartage Local	27,870.00	35,991.00
Jobwork Paid	28,34,418.00	30,10,502.00
Lab. Expenses	34,409.00	24,220.00
Labour Fooding & Welfare	5,23,199.00	1,32,731.00
Machinery Maintenance	52,33,585.72	72,55,185.99
Wages & Salary	2,04,83,379.70	1,57,81,065.65
Watch & Ward	13,69,932.00	12,37,790.00
Weight & Measurement	17,250.00	10,540.00
Workshop Maintenance	11,75,646.65	13,15,058.45
Total	7,72,20,343.09	6,81,30,234.43
(B) Administrative Expenses		
Audit Fee (Statutory)	65,000.00	65,000.00
Audit Fee (Internal)	3,30,000.00	2,81,872.00
Audit Fee (Vat)	5,000.00	5,000.00
Bank Charges	29,85,559.80	26,13,407.40
Board Meeting Expenses	3,09,500.00	1,23,503.00
Building Repair & Maintenance	2,53,821.78	1,63,781.50
Business Promotion	1,41,485.00	34,742.00
Car Running Expenses	5,31,411.75	5,57,868.09
Certification Fee	17,447.00	55,150.00
Computer Expenses	3,55,426.00	2,41,210.00
Conveyance	11,73,165.00	10,20,921.00
Director's Remuneration	86,40,000.00	83,24,667.00
Director's Sitting Fee	1,90,000.00	2,30,000.00
Donation	69,801.00	1,46,100.00
Guest House Exps.	4,62,681.00	3,43,583.00
Hire Charges on Vehicle	1,64,973.18	3,17,940.48
Hotel Boarding & Lodging Exps.	1,64,578.00	55,528.00
Incentive to Director	21,72,631.00	21,60,693.00
Pension Plan Premium to Key Person	2,00,000.00	2,00,000.00
Perquisites to Director	328,356.00	3,37,687.00
ISO (ISO-9002) Certificate Exps.	81,042.00	43,724.00
Interest on Service Tax / Excise / TDS	5,083.00	5,905.96
Inspection Charges	1,89,513.00	5,76,002.00
Insurance	4,44,104.72	5,19,710.00
Internet Expenses	85,116.00	26,945.00
Leave Encashment Director	7,20,000.00	6,93,333.00
Leave Travelling Concession to Director	1,05,242.50	1,28,217.00
Legal Expenses	78,796.00	63,112.00
Contd.....	0000000	00000000.00

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	Figure as at 31st March, 2013 Rs.	Figure as at 31st March, 2012 Rs.
Brought Forward	000000000	000000000
Loss on Sale of Car	10,38,256.00	2,28,310.00
Long Term Capital Loss	2,71,000.00	3,29,958.50
Licence Fee (Factory Act & Others)	28,450.00	14,400.00
Foreign Travelling Allowance to Director	10,70,126.13	5,00,000.00
Festival and New Year Exps.	4,86,118.00	2,23,628.00
Registration & Filing Fee	59,039.00	19,060.00
Share/ Stock Listing Fee	24,000.00	23,823.00
Share Connectivity/ Maint.Charges	94,885.00	92,508.00
Sales Tax Demand	64,853.00	0.00
Sales Tax Form Fee	10,000.00	5,000.00
Pooja Expenses	25,300.00	16,081.00
Membership Fee	55,118.00	52,000.00
Misc.expenses	69,845.20	83,074.40
News Paper & Periodicals	23,476.00	32,710.50
Office Maintenance	2,26,682.25	2,45,439.50
Postage & Stamp	2,83,118.00	1,99,706.00
Printing & Stationery	3,58,704.00	3,41,261.00
Professional Charges	2,56,364.00	1,92,165.00
Purchase Tax	0.00	130.00
Demumage & Other Deduction	55,43,919.36	14,33,399.00
Rates & Taxes	2,43,922.00	1,83,405.00
Sundry Balance W/Off	4,229.31	46.93
Security Transaction Tax	0.00	2,426.00
Telephone Expenses	7,08,588.74	8,33,676.19
Travelling Expenses	12,08,725.13	8,27,113.00
Travelling Expenses (Director)	9,61,868.74	13,91,324.77
Travelling Expenses (Foreign)	68,855.91	6,31,312.01
Vehicle Repair & Maintenance	4,03,347.00	4,48,216.00
Total	3,38,58,524.50	2,76,85,776.23
(C) Selling & Distribution Exp.		
Advertisement & Publication	9,92,941.00	8,45,775.00
Central Sales Tax Exps.	1,19,98,485.00	88,73,892.00
Vat Exps.	28,88,538.00	18,98,545.00
Commission	22,84,926.00	12,26,510.00
Freight & Cartage Outward	97,29,900.00	79,82,875.00
Service Tax on Freight	1,42,121.00	2,08,740.00
Freight & Insurance Export	85,208.00	21,500.00
Packing Material Consumed	72,01,933.84	66,33,899.37
Sales Promotion	0.00	53,711.00
Sample	37,759.00	6,991.00
Tender Fees	48,160.00	52,140.00
Total	3,54,09,971.84	2,78,04,578.37
Total (A+B+C)	14,64,88,839.43	12,36,20,589.03

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	Figure as at 31st March, 2013 Rs.	Figure as at 31st March, 2012 Rs.
26.1 VALUE OF POWER, FURNACE OIL, DIESEL OIL, GAS, STORES AND PACKING MATERIAL CONSUMED		
Power and Fuel :-		
Electric Power Used	1,75,74,701.00	1,28,44,637.00
Png Gas Used	27,20,282.00	3,13,621.00
Furnace Oil Consumed	1,18,06,947.43	1,53,08,795.04
Diesel for Generator Consumed	43,98,776.02	20,56,780.51
Total	3,65,00,706.45	3,05,23,833.55
(i) Furnace Oil Consumed		
Opening Stock	6,44,946.29	4,89,537.33
Add : Purchase (Including Freight & Entry Tax)	1,16,55,192.50	1,54,64,204.00
Less : Closing Stock	4,93,191.36	6,44,946.29
Total	1,18,06,947.43	1,53,08,795.04
(ii) Diesel For Generator Consumed		
Opening Stock	87,734.08	3,98,950.00
Add : Purchase (Including Freight & Entry Tax)	44,40,993.75	17,45,564.59
Less : Closing Stock	1,29,951.81	87,734.08
Total	43,98,776.02	20,56,780.51
(iii) Consumable Stores Consumed		
Opening Stock	52,62,135.49	49,72,914.86
Add : Purchase	1,03,86,195.52	88,90,881.02
Less : Closing Stock	68,02,429.20	52,62,135.49
Total	88,45,901.81	86,01,660.39
(iv) Packing Material Consumed		
Opening Stock	4,47,500.00	0.00
Add : Purchase	73,24,474.35	70,81,399.37
Less : Closing Stock	5,70,040.51	4,47,500.00
Total	72,01,933.84	66,33,899.37

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	2012-13	2011-12
26.2 PAYMENT TO STATUTORY AUDITORS :		
Audit fee	Rs. 70,000.00	Rs. 70,000.00
Service Tax	8,652.00	7,210.00
Income Tax fee	Nil	Nil
Management consultancy fee	Nil	nil
26.3 EXPENDITURE IN FOREIGN CURRENCY :		
	2012-13	2011-12
Advance for Plant & Machinery	Rs. 39,05,225.00	NIL
Travelling Expenses (Foreign)	Rs. 68,855.91	Rs. 6,31,312.01
Foreign Travelling Allowance	Rs. 10,70,126.13	Rs. 5,00,000.00
Pre-operative Exps. (Travelling exps.)	Rs. 3,30,116.00	NIL
Purchase of Plant & Machinery	Rs. –	Rs.78,88,105.00
Freight & Insurance on Export	Rs. 85,208.00	Rs. 21,500.00
27. EARNING PER SHARE (EPS)		
	2012-13	2011-12
N/P after tax available for share holder	Rs.2,00,49,510.72	Rs.2,84,39,623.27
Weighted average No. of equity share outstanding during the year	Nos. 39,38,511	Nos. 39,38,511
Basic/diluted earning per share	Rs.5.09	Rs.7.22
28 EARNING IN FOREIGN CURRENCY:		
	2012-13	2011-12
Export Sales	Rs.1,00,30,706.00	Rs.45,29,177.00
29. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND		
The Company has paid dividend in respect of shares held by Non-Residents on repatriation basis. The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remittable in this respect is given herein below :		
	2012-13 (Final Dividend)	2011-12 (Final Dividend)
a) Number of Non Resident Shareholders	9	9
b) Number of Equity Shares held by them	1,300.00	1,300.00
c) (i) Amount of Dividend Paid (Gross) (₹)	1,300.00	1,300.00
(ii) Tax Deducted at Source (₹)	260.00	260.00

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

30. Related party disclosure :

Related Party	Relationship	Nature of transaction	Value (Amount Rs.)	Amount outstanding Receivable/Payable
Mr. Kundan Lal Bhatia	Key Management Person	Remuneration, LTC, Perquisites, E. Leave & Incentive	Cr. 26,55,242.50	Cr. 3,82,753.00
Mr. Kapil Bhatia	—do—	—do—	Cr. 28,10,063.00	Cr. 65,643.81
Mr. Neeraj Bhatia	—do—	—do—	Cr. 30,25,000.00	Cr. 26,281.39
Smt. Sushma Bhatia	—do—	—do—	Cr. 14,00,987.00	Cr. 3,67,910.00
Smt. Mamta Bhatia	—do—	—do—	Cr. 18,45,063.13	Cr. 70,875.06
Smt. Sonia Bhatia	—do—	—do—	Cr. 13,00,000.00	Cr. 1,84,000.00
M/s Frontier Alloy Steels Ltd	Associate Concern	Sales	Dr. 2,31,33,101.00	Dr. 1,05,59,696.04
—do—	—do—	Machinery Maintenance	Cr. 10,306.00	NIL
—do—	—do—	Investment in Preference shares	Dr. 8,00,000.00	Dr. 8,00,000.00
—do—	—do—	Dividend recd. on Preference shares	Dr. 48,000.00	NIL
M/s Frontier Engineering Corporation	—do—	Purchase	Cr. 45,34,931.00	NIL
—do—	—do—	Jobwork	Cr. 1,42,500.00	NIL
M/s Vishpa Rail Equipments Pvt. Ltd	—do—	Jobwork	Cr. 26,91,918.00	NIL
M/s Vishpa Rail Equipments Pvt. Ltd	—do—	Rent Received	Cr. 60,000.00	NIL
M/s Vishpa Rail Equipments Pvt. Ltd	—do—	Interest on Deposits	Dr. 1,22,0216.00	Dr. 1,24,65,000.00

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

Remuneration :	2012-2013	2011-2012
Chairman & Managing Directors	18,00,000.00	18,00,000.00
Other Directors	68,40,000.00	65,24,667.00
Incentives :		
Chairman & Managing Directors	4,99,013.00	5,01,620.00
Other Directors	16,73,618.00	16,59,073.00
Perquisites :		
Chairman & Managing Directors	1,00,987.00	98,380.00
Other Directors	2,27,369.00	2,39,307.00
Leave Travel Concession :		
Chairman & Managing Directors	1,05,242.50	85,478.00
Other Directors	NIL	5,42,739.00
Leave Travel Concession :		
Chairman & Managing Directors	NIL	NIL
Other Directors	10,70,126.13	5,00,000.00
Earn Leave :		
Chairman & Managing Directors	1,50,000.00	1,50,000.00
Other Directors	5,70,000.00	5,43,333.00

THIRTY THIRD ANNUAL REPORT

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

	2012-13	2011-12
i. Licensed Capacity (As certified by the management)	Not Applicable	Not Applicable
ii. Installed Capacity (As certified by the management)	9200 Mt. per annum on single shift of eight hour Coil spring, Leaves Spring Forging items	9200 Mt. per annum on single shift of eight hour Coil spring, Leaves Spring
iii. Production in Nos.	2,29,883	2,50,056

iv. Particulars in respect of sales (refer notes below)

Class of Goods	U/N	31.03.2013		31.03.2012	
		Qty.	Amount	Qty.	Amount
Coil springs	Nos.	2,24,080	41,98,13,336.00	2,57,981	38,14,32,324.00
Leaf springs & Foreign items	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	31.03.2013		31.03.2012	
	Qty. (Mt.)	Amount (Rs.)	Qty. (Mt.)	Value (Rs.)
a) Indigenous Springs Steel Round Billet & Bar	3,339.071	20,76,09,967.49	3,261.579	19,25,32,848.27
b) Imported	Nil	Nil	Nil	Nil

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

	2012-13	2011-12
Raw Materials imported	Nil	Nil
Spare Parts & Sets (Indigenous)	100%	100%
Raw Materials Indigenous	100%	100%

vii. Quantitative details of finished goods

Particulars	2012-13 Nos.	2011-12 Nos.
Opening Stock (in Nos.)	12,139	20,064
Closing Stock (in Nos.)	17,942	12,139
Turnover	2,24,080	2,57,981

Notes :-

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

As per our Report of even date.
For SANJAY NANDANI & CO.
Chartered Accountants
Firm Registration No. 006941 C
SANJAY MALHOTRA
Partner
Membership No. 71140
Place : Kanpur
Date : 29.05.2013

For and on behalf of Board of Directors

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

Green Initiative

Dear Investors,

As you are aware that the ministry of corporate Affairs, Government of India has taken a 'Green Initiative' vide circulars ref. nos. 17/2011 and 18/2011 dated April 29, 2011 respectively allowing serving of documents by a Company to its members in electronic mode through e-mails. Further, in line with recent circular (Vide circular ref. No. CIR/CFD/DIL/7/2011 dated October 5, 2011) issued by the Securities and exchange Board of India (SEBI) and consequent changes in clause 32 of Equity Listing Agreement, Companies can send full Reports in electronic mode to its Members who have registered their e-mail addresses for the purpose.

The Members who have still not registered their e-mail address with Company can now register the same by submitting duly filled-in 'E-mail Registration Form' attached herewith to c.s@frontiersprings.co.in

The Members holding shares in electronic form are requested to register their e-mail address with their depository Participants also. The Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form, upon request.

Please note that the communications will also be available on the Company's website c.s@frontiersprings.co.in for download by the members and physical copies of the same can be inspected at the Registered Office Company at Kanpur.

For any query please write to : c.s@frontiersprings.co.in

E-Mail Registration Form

Dear Members,

As you are aware that the Ministry of Corporate Affairs, Government of India has taken a 'Green Initiative in Corporate Governance' vide circulars ref. nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively allowing serving of documents by a company to its members in electronic mode through e-mails. Further, in line with recent circular (vide circular ref. no. CIR/CFD/DIL/7/2011 dated October 5, 2011) issued by the Securities and Exchange Board of India (SEBI) and consequent changes in clause 32 of the Equity Listing Agreement, Companies can send full Annual Report in electronic mode to its members who have registered their e-mail addresses for the purpose.

With a view to lending strong support to this environment friendly initiative of the Government of India, we invite all the members of the Company to join and register their e-mail address with us by filling up the form to receive all the communication from the Company in electronic mode.

We are sure, that as a responsible citizen you too would like to support this excellent initiative of the Government of India and will co-operate with the Company in implementing the same.

Regards,

Deepak Bhasin

Company Secretary

E-mail Registration Form			
Folio No.:		DP-ID :	Client ID :
Name of the Registered Holder (1 st) :			
Name of the joint holder (s):			
Registered Address :			
Mobile Nos. (to be registered):		Pin :	
E-mail Id (to be registered):			

I/We, the members of Frontier Springs Limited (the "Company") do hereby agree and authorize Company to send me/us all the communications in electronic mode at the e-mail address mentioned above. Please register the above e-mail address/mobile number for sending communication through e-mail/mobile.

Signature of the shareholder (s)*

*Signature of all the shareholder is required in case of a joint holding.

FRONTIER SPRINGS LIMITED

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

ATTENDANCE SLIP

Folio No.	
DP-ID No.	
Client ID No.	

Name of the Shareholder.....

Name of the Proxy (in Block letters).....
(to be filled in if the Proxy attends instead of the member)

I hereby record my presence at the 33rd Annual General Meeting held on Saturday, 28th September, 2013 at 12.30 P.M. at the Registered Office of the company situated at E-14, Panki Industrial Area, Site-I, Kanpur-208022

Member/Proxy's Signature

FRONTIER SPRINGS LIMITED

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

PROXY FORM

I/We ofbeing
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/ on my/our
behalf at the 33rd Annual General Meeting held on Saturday, 28th September, 2013 at 12.30 P.M. at the Registered
Office of the company situated at E-14, Panki Industrial Area, Site-I, Kanpur-208022 and at any adjournment
thereof.

Signed this day of 2013

Folio No.	
DP-ID No.	
Client ID No.	

Affix
Re. 1/-
Revenue
Stamp

Note : This proxy form must be deposited at the Registered Office of the company at E-14, Panki Industrial Area, Site-I, Kanpur- 208 022 not less than forty-eight hours before the time fixed for holding the aforesaid meeting. The proxy need not be a member of the Company.

Cut Here.....

BOOK POST

If undelivered, please return to :
FRONTIER SPRINGS LIMITED
E-14, Panki Industrial Area,
Site-I, KANPUR

SOLAR PRESS
KANPUR ☎ 2534799