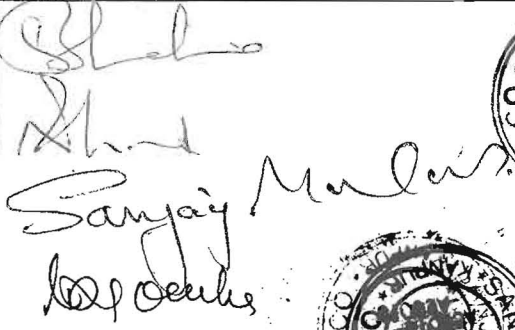




**FORM B**  
**Format of covering letter of the annual audit report to be filed with  
the stock exchanges**

1. Name of the Company:	Frontier Springs Limited
2. Annual financial statements for the year ended	31 <sup>st</sup> March 2014
3. Type of Audit qualification	<p>Qualified...../ Subject to./ Except for</p> <p>i) Balance of sundry debtors, sundry creditors and sundry advances are subject to confirmation from respective parties.</p> <p>ii) Inventory of finished goods are valued at net realisable value. (As per Note no. J of significant accounting policies).  Value of Raw Materials, Stores &amp; Spares and packing material are ascertained at cost on FIFO basis, Work in Process is valued at conversion cost exclusive of excise duty, as per AS -2, however Finished goods are valued at net realisable value, which is not as per AS-2, this method of valuation is being consistently followed in earlier years.</p> <p>iii) Provision for payment of gratuity to director has been made on the payment basis (As per Note no. M of significant accounting policies).  There was no provision for gratuity of directors. The provision of gratuity on retirement of director is made on cash basis of upto a maximum amount of Rs.10, 00,000 only.</p>



4. Frequency of qualification	The above stated qualification no. 3(i) & 3(ii) is appearing since preceding years This method is being consistently being followed in preceding years as supply to railways is on tender basis. However qualification no. 3(iii) is appearing for the first time.
5. Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>i) Regarding confirmation of Balance of sundry debtors, sundry creditors and sundry advances – Reference to Note no. – Nil (Since orders from Indian Railways are based on tenders)</p> <p>ii) Regarding valuation of Inventory of finished goods – Reference to Note no. J, Page no.30</p> <p>iii) Regarding Provision for payment of gratuity to director – Reference to No. no. M Page No. 31</p>
6. Additional comments from the board/audit committee chair:	This may relate to nature of the qualification including materiality, agreement/disagreement on the qualification, steps taken to resolve the qualification, etc.
7. To be signed by- <ul style="list-style-type: none"> <li>• CEO/Managing Director</li> <li>• CFO</li> <li>• Auditor of the company</li> <li>• Audit Committee Chairman</li> </ul>	  

# Frontier

YEARS  
DEDICATED  
TO THE  
UNDYING  
SPIRIT

*Annual Report*  
2013-2014

**FRONTIER  
SPRINGS LIMITED**



# FRONTIER SPRINGS LIMITED

## ANNUAL REPORT 2013-2014

### BOARD OF DIRECTORS

Shri KUNDAN LAL BHATIA, *Chairman & Managing Director*  
Shri KAPIL BHATIA, *Managing Director*  
Shri NEERAJ BHATIA, *CFO*  
Smt. SUSHMA BHATIA\*  
Smt. SONIA BHATIA\*\*  
Smt. MANJU BHATIA\*\*\*  
Smt. MAMTA BHATIA  
Shri PRADEEP K. GOENKA, *Independent Non-Executive Director*  
Shri R. K. BHATIA, *Independent Non-Executive Director*  
Shri YASHPAL, *Independent Non-Executive Director*  
Shri N.P. SINGH, *Independent Non-Executive Director*  
Shri R.N. TRIVEDI, *Independent Non-Executive Director*

\*ceased w.e.f.24.10.2013, \*\* ceased w.e.f.31.12.2013, \*\*\*appointed w.e.f.14-11-2013

### COMPANY SECRETARY & COMPLIANCE OFFICER

Shri DHRUV 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.)

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## THIRTY FOURTH ANNUAL REPORT

### NOTICE

NOTICE Is hereby given that the Thirty Fourth Annual General Meeting of the Members of FRONTIER SPRINGS LIMITED will be held on Tuesday, 30th September, 2014, At 12.30 P.M. at the Registered Office of the Company at E-14, Panki Industrial Area Site-1, Kanpur-208022 to transact the following businesses :

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014, Statement of Profit and Loss Account & Cash Flow Statement for the financial year ended on that date together with Directors and Auditors' Report thereon.
2. To appoint a Director in place of Smt. Mamta Bhatia (DIN No. 03480368) who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Auditors of the Company by passing with or without modification(s) the following resolution as an Ordinary Resolution;

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013, and the rules made thereunder M/s Sanjay Nandani & Co., Chartered Accountants, Kanpur, (Firm registration no. 006941C) 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 i.e 34th Annual General Meeting until the conclusion of the 37th Annual General Meeting (subject to ratification of the appointment by the members at every such Annual General Meeting held after this Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company."

#### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:

Appointment of Shri P.K Goenka as Independent Director

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force ) read with Schedule IV of the Companies Act, 2013, Shri P.K Goenka (DIN No. 00404746), Director of the Company whose period of office was liable to be determined by retirement of directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company in the calendar year 2019.

5. Appointment of Shri R.N Trivedi as Independent Director

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force ) read with Schedule IV of the Companies Act, 2013, Shri R.N Trivedi (DIN No. 03243439), Director of the Company whose period of office was liable to be determined by retirement of directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company in the calendar year 2019.

6. Appointment of Shri Yash Pal as Independent Director

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force ) read with Schedule IV of the Companies Act, 2013, Shri Yash Pal (DIN No. 00929185), Director of the Company whose period of office was liable to be determined by retirement of directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company in the calendar year 2019.

7. Appointment of Shri N.P Singh as Independent Director

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force ) read with Schedule IV of the Companies Act, 2013, Shri N.P Singh (DIN No. 03519569), Director of the Company whose period of office was liable to be determined by retirement of directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company in the calendar year 2019.

8. Appointment of Shri R.K Bhatia as Independent Director

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time

being in force ) read with Schedule IV of the Companies Act, 2013, Shri R.K Bhatia(DIN No. 0958948), Director of the Company whose period of office was liable to be determined by retirement of directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company in the calendar year 2019.

9. To ratify the remuneration of Cost Auditors for the financial year 2014-2015 by passing the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Rakesh Misra & Co. Cost Accountants, Kanpur (Firm Registration Number 00249), appointed as Cost Auditors by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration of 25,000/- (Rupees Twenty Five Thousand only) plus Govt. levies/tax plus out of actual pocket expenses, as recommended by the Audit Committee and approved the Board of Directors at its meeting held on May 16, 2014;

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

10. To appoint Smt Manju Bhatia(DIN: 03480362) as an Executive Director and in this regard to consider and if thought to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Smt Manju Bhatia(DIN: 03480362), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.

RESOLVED THAT pursuant to the provisions of Sec-

tions 196 , 197 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded to the appointment of Smt. Manju Bhatia (DIN – 03480362) as Wholetime Director of the Company for a period of five years from November 14, 2013 to November 13, 2018 on the terms and conditions of appointment and remuneration as approved by the Board of Directors of the Company and the Nomination & Remuneration Committee in their meeting held on November 14, 2013 and as set out in the in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors and the Nomination & Remuneration Committee be and are hereby severally authorized to alter and vary such terms of reappointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the earlier resolution passed by the Shareholders in their Annual General Meeting the consent of the members of the Company be and is hereby accorded under Section 180(1) (c) and other applicable provisions and rules framed there under of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), to the Board of Directors of the Company to borrow from time to time, monies for the business of the company notwithstanding that the money to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from Company's bankers in the ordinary course of business) will exceed the aggregate of paid up capital of the company and its free Reserves provided that the total amount of monies borrowed at any time, shall not exceed Rs. 50,00,00,000/-(Rupees Fifty Crores Only)”

RESOLVED FURTHER THAT the Board be and is hereby authorized to do, perform and execute all such acts, deeds and things and to settle all questions arising out of and incidental thereto, and to give such directions that may be necessary or which arise in regard to or in connection with any such matter as it may, in its absolute discretion, deem fit to give effect to this resolution.”

- 12 To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT in supersession of the Resolu-

## THIRTY FOURTH ANNUAL REPORT

tion passed at the Annual General Meeting and pursuant to section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company ("the Board") to create such charges, mortgages and hypothecations, in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events, if required, in favour of Banks/ Financial Institutions / other investing agencies/ trustees for the holders of debentures/ bonds/ other instruments which may be issued to or subscribed by all or any of the financial institution/ banks/ any other investing agencies or any other person (s) / bodies corporate by way of private placement or otherwise to secure rupee/ foreign currency loans, debentures, bonds or other instrument(hereinafter collectively referred to as "Loans"), whether already borrowed or to be borrowed, provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said loans, shall not, at any time exceed the limit of Rs. 50,00,00,000/- (Rupees Fifty Crores).

"RESOLVED FURTHER THAT the mortgage/charge created/to be created and/or all agreement(s)/documents executed/to be executed and all acts done in terms of the above resolution by and with the authority of the Board be and are hereby confirmed and ratified."

RESOLVED FURTHER THAT the Board be and is hereby authorized to do, perform and execute all such acts, deeds and things and to settle all questions arising out of and incidental thereto, and to give such directions that may be necessary or which arise in regard to or in connection with any such matter as it may, in its absolute discretion, deem fit to give effect to this resolution."

*Registered Office :* By order of the Board  
E-14, Panki Industrial Area,  
Site-1, Panki,  
Kanpur-208022 DHRUV BHASIN  
Dated : 13.08.2014 *Company Secretary*  
CIN No : L17119UP1981PLC005212  
Web : www.frontiersprings.co.in  
Email : c.s@frontiersprings.co.in  
Phone : 0512-2691208 • Fax : 0512-2691209

### NOTES :

1. IN TERMS OF THE PROVISIONS OF SECTION 105 OF THE COMPANIES ACT, 2013 READ WITH RULE 19 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY, THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON CAN BE PROXY FOR MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN AN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. A PROXY FORM FOR THE MEETING IS ENCLOSED.
2. In terms of the provisions of Section 102 of Companies Act 2013, a statement setting out the material facts concerning special business to be transacted at the meeting is annexed and forms part of this notice.
3. The Register of Members and the Share Transfer Books of the Company will be closed from 22nd September to 30th September, 2014 (both dates inclusive) for the purpose of Annual General Meeting.
4. Copies of the Notice of the 34th Annual General Meeting together with the annual Report are being sent by electronic mode to all the members whose email addresses are registered with the Company Depository Participant(s). Hard copies of annual Report will be supplied to those shareholders holding shares in electronic mode as and when required. For Members who have not registered their email addresses, physical copies of Annual Report, 2013 are being sent by the permitted mode.
5. 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.
6. 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.

7. Members holding shares in electronic form are requested to provide their Client-ID and DP-ID numbers at the meeting for easy identification.
8. 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.
9. 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.
10. 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.
11. 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.
12. For convenience of the members and for proper conduct of the meeting, entry to the place of meeting will be regulated by Attendance Slip, which is annexed to the Annual Report. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.
13. The business set out in this notice is also being conducted through e-voting. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the company is pleased to offer the e-voting facility as an alternate to all its members to enable them to cast their votes electronically instead of casting the vote at the meeting. For this purpose the company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the shareholders to cast their votes electronically.

14. The notice of the meeting is being placed on the website of the company viz. [www.frontiersprings.co.in](http://www.frontiersprings.co.in)

15. Mr Amit Gupta, Company Secretary in Whole Time Practice, has been appointed as a Scrutinizer for conducting the e-voting process in a fair and transparent manner.

#### INSTRUCTIONS FOR E-VOTING

1. In compliance with provisions of section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to exercise their right to vote by electronic means on all Resolutions set forth in the Notice convening the 34th Annual General Meeting to be held on 30/09/2014

2. The e-voting facility is available at the link [www.evotingindia.com](http://www.evotingindia.com)

3. The e-voting facility will be available during the following voting period:

Start Date & Time	End Date & Time
September 24, 2014 10:01 Hrs	September 26, 2014 18:00 Hrs

4. The instructions in case of members receiving e-mail for e-voting are as under:
  - (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - (ii) Click on "Shareholders" tab.
  - (iii) Now, select the "Frontier Springs Limited" from the drop down menu and click on "SUBMIT"
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vii) If you are a first time user follow the steps given below:

## THIRTY FOURTH ANNUAL REPORT

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form,

the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant Frontier Springs Limited on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy of the Notice of AGM (for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting Physical Copy) in the permitted mode:

- (i) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (ii) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (iii) In case you have any queries or issues regarding e-

voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

*Registered Office :* By order of the Board  
E-14, Panki Industrial Area,  
Site-1, Panki,  
Kanpur-208022  
Dated : 13.08.2014  
CIN No : L17119UP1981PLC005212  
Web. : [www.frontiersprings.co.in](http://www.frontiersprings.co.in)  
Email : [c.s@frontiersprings.co.in](mailto:c.s@frontiersprings.co.in)  
Phone : 0512-2691208 • Fax : 0512-2691209

DHRUV BHASIN  
*Company Secretary*

## **Explanatory Statement as required under Section 102 of the Companies Act, 2013.**

### **Item No. 4,5,6,7 & 8**

Mr. P K Goenka (DIN - 00404746), Mr. R N Trivedi (DIN -03243439), Mr. Yash Pal (DIN -00929185), Mr. N P Singh (DIN -3519569) & Mr. R K Bhatia (DIN -00958948) are Non Executive Independent Directors of the Company, whose period of office was liable to be determined by retirement by rotation under the erstwhile applicable provisions of Companies Act, 1956. Pursuant to provisions of Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and clause 49 of the listing agreement, the independent Directors are not liable to retire by rotation and are required to be appointed by the Shareholders. Therefore it is proposed to appoint MR. P K Goenka, Mr. R N Trivedi, Mr. Yash Pal, Mr. N P Singh & Mr. R K Bhatia as an Independent Directors of the company to hold office for a term of consecutive five years from the conclusion of this meeting and whose period of office shall not be liable to determination by retirement of directors by rotation.

The Company has also received declarations from the proposed appointees that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Brief resume of the proposed appointees, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agree-

ment with the Stock Exchanges, are provided in the Annexure A to the Corporate Governance Report forming part of the Annual Report. Copy of the draft letters for respective appointments of the proposed appointees as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

In the opinion of the Board, the proposed appointees fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of the proposed appointees as an Independent Director

Mr. P K Goenka, Mr. R N Trivedi, Mr. Yash Pal, Mr. N P Singh & Mr. R K Bhatia are interested in the resolutions set out respectively at Item Nos. 4, 5, 6, 7 and 8 of the Notice with regard to their respective appointments. The relatives of Mr. P K Goenka, Mr. R N Trivedi, Mr. Yash Pal, Mr. N P Singh & Mr. R K Bhatia may be deemed to be interested in the resolutions set out respectively at Item Nos. 4, 5, 6, 7 and 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. The Board commends the Ordinary Resolutions set out at Item Nos.

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4, 5, 6, 7 and 8 of the Notice for approval by the shareholders.

### Item No.9

The Board of Directors at its meeting held on May 16th 2014, based on the recommendation of the Audit Committee, has approved the appointment and remuneration of the M/s Rakesh Misra & Associates, Cost Accountants (Firm Registration No. 00249), Kanpur as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015. The Board has approved the remuneration of Rs. 25,000/- (Rupees Twenty Five Thousand only) plus Govt. levies/tax plus out of actual pocket expenses, subject to ratification of the shareholders at ensuing annual general meeting.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

### Item No. 10

Smt. Manju Bhatia was appointed as an Additional Director by the Board of Directors with effect from November 14, 2013 and in terms of the provisions of the Act read with relevant provisions of the Companies Act, 1956 she holds office till the conclusion of this Annual General Meeting.

The Company has received a notice under Section 160 of the Act along with the deposit of the requisite amount proposing her candidature for the office of Director of the Company liable to retire by rotation

Smt. Manju Bhatia is not disqualified from being

appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director

Her brief particulars have been given below under the heading Directors seeking re-appointment / appointment

The Board of Directors at the same Meeting appointed Smt. Manju Bhatia as Whole-time Director of the Company at a Remuneration of Rs. 1,00,000/- per month which has been approved by Nomination and Remuneration Committee of the Board.

The Board considers it desirable to have the benefit of her advice and guidance and recommends the resolution at item No. 10 for approval of members as Ordinary Resolution.

Save and except Smt. Manju Bhatia as an appointee and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No.10 of the Notice.

### Item No. 11 & 12

In view of the enactment of New Companies Act, 2013 it is considered necessary to get the authorization of Shareholders u/s 180(l)(c) of the Companies Act, 2013 to borrow from time to time, monies for the business of the company notwithstanding that the money to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of paid up capital of the company and its Free Reserves provided that the total amount of monies borrowed at any time, shall not exceed Rs. 50,00,00,000/- (Rupees Fifty Crores).

Further in view of the enactment of New Companies Act, 2013 it is considered necessary to get the authorization of Shareholders u/s 180(1) (a) of the Companies Act, 2013 for creation of charge on assets of the Company for securing borrowings up to the limit of Rs. 50,00,00,000/- (Rupees Fifty Crores).

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. The Board commends the Special Resolutions set out at Item Nos.11 & 12 of the Notice for approval by the shareholders.

## DIRECTORS' REPORT

Dear Shareholders,

Your directors have pleasure in presenting the Thirty Fourth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2014.

### FINANCIAL RESULTS

Particulars	2013-14	2012-13
	<i>(Rs. in Lacs)</i>	
Income from Operation	<b>3,802.64</b>	3918.17
Profit Before Int., Dep., & Tax	<b>420.36</b>	455.76
Interest	<b>76.04</b>	77.42
Depreciation	<b>118.61</b>	107.45
Profit/(loss) Before Tax	<b>225.71</b>	270.89
Income Tax :		
Current year Tax	<b>(46.22)</b>	(52.64)
Deferred Tax	<b>(10.79)</b>	(17.75)
Profit/(Loss) After Tax	<b>168.70</b>	200.50
Profit/(Loss) B/f from P.Y.	<b>1,324.77</b>	1130.67
Balance available for appropriation	<b>1,493.47</b>	1331.17
Proposed Dividend / Dividend Tax Paid	<b>0</b>	6.39
Profit/(Loss) transferred to Reserves & Surplus	<b>1,493.47</b>	1324.78

### OPERATIONS

The operation of the Company during the financial year under review were slightly down with turnover of Rs. 3802.63 Lacs as against Rs. 3918.17 Lacs in preceding year. The net profit during the year was lower at Rs.168.70 Lacs as against Rs. 200.49 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

### Forging Division

Your company has already set up the forging plant and the management is taking conducive steps to further expand the forging division by expanding its product base. Approval of screw coupling, knuckle pins with washer, yoke pin and knuckle thrower have been obtained from Research Design & Management Organization (R.D.S.O) in addition to Draft gear Forging, Hanger and Hanger Block. The company is further expanding Forging unit at Rania and is in process to install a new hammer which would be used to produce products of heavy industries. Export orders are also being executed.

### Coil Springs

Your company would be the first one to receive orders for manufacturing of springs for Linke-Hofmann Busch(LHB) coaches which were being imported till date by Indian Railways thereby increase the revenue of the company as a result the profitability would increase in the near future. Presently LHB coaches are used in premium air conditioned services such as Rajdhani, Shatabdi and Duronto trains. We are optimistic that in the coming years the company would reach to new heights. The execution of such kind of orders would increase the turnover manifold. The Company has also obtained Part 1 Vendor Registration for supply GM LOCO Springs to DLW Varanasi.

### DIRECTORS

Shri Prem Sagar, Smt.Sushma Bhatia & Smt.Sonia Bhatia resigned from directorship of the Company w.e.f 29.05.2013, 24.10.2013 & 31.12.2013 respectively. Smt. Manju Bhatia was appointed as an Additional Director of the Company w.e.f.14.11.2013 and is proposed to be regularized as an ordinary director at ensuing 34th annual general meeting of the Company.

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and clause 49 of the listing agreement the Independent Directors are not liable to retire by rotation and are required to be appointed by Shareholders. Accordingly Mr. P K Goenka, Mr.R N Trivedi, Mr. Yash Pal, Mr. N P Singh & Mr. R K Bhatia are proposed to be appointed as an Independent Directors of the company to hold office for a term of consecutive five years from the conclusion of ensuing 34th Annual General Meeting and whose period of office shall not be liable to determination by retirement of directors by rotation.

Pursuant to the provisions of the Companies Act, 2013 and Articles of the Association of the Company, Smt. Mamta Bhatia, Director of the Company retire from the Board by rotation and being eligible she has offered herself for re-appointment.

The Board re-commends for their re-appointment at ensuing annual general meeting.

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### AUDITORS

The term of the present auditor of the Company, M/s Sanjay Nandani & Co., Chartered Accountants, Kanpur, expires at the conclusion of till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment. The Board recommends their appointment.

The Board appointed Rakesh Misra & Co., Cost Accountants as the Cost Auditors for 2014-15 on May 16, 2014. As per the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the proposal for ratification of remuneration payable to the Cost Auditors by the shareholders of the Company is placed in notice convening 34th annual general meeting.

### AUDITORS' REPORT

The Auditors' Report read with the notes to the accounts referred to therein are self-explanatory and, therefore, do not call for any further comments.

Cost Audit report for year ended at 31st March, 2013 was filed vide SRN 528360998 dated 03.12.2013.

### 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, 2014 that: -

(a) That in preparation of Annual Accounts, 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 on going 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 (Annexure – I).

### MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to Clause 49 of the Listing Agreement, Management Discussion and Analysis is placed at Annexure – II and forms part of this Annual Report.

### CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, Corporate Governance Report together with the Auditors' Certificate on compliance of the conditions of Corporate Governance is placed at Annexure – III and forms 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 Company has recently received communication from U. P. Stock Exchange Limited that in view of SEBI circular No. CIR/MRD/DSA/14/2012 and SEBI Circular No. CIR/MRD/DSA/18/2014 dated 22 May, 2014. Since the Company is already listed on BSE Limited, the Company has expressed its disinterest to UPSE to getting listed at Calcutta Stock Exchange.

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

Date : 13.08.2014

K. L. BHATIA

Chairman and Managing Director

DIN No. 00581799

**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, 2014.**

**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>	
	<b>Current Period</b>	Previous Period
	<b>(2013-14)</b>	(2012-13)
a) Foreign Exchange Earnings	<b>34.54</b>	100.30
b) Foreign Exchange Outgo	<b>175.45</b>	43.89

Place : Kanpur  
Date : 13.08.2014

For and on behalf of the Board  
K.L. BHATIA  
Chairman & Managing Director  
DIN No. 00581799

## 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. 2013-14) :

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	332648	8.44
Sh. Kapil Bhatia	Managing Director	Promoter/ Executive	180074	4.57
Sh. Neeraj Bhatia	Whole Time Director	Promoter/ Executive	124365	3.15
Smt. Mamta Bhatia	Whole Time Director	Promoter/ Executive	37938	0.96
Smt. Manju Bhatia*	Whole Time Director	Promoter/Executive	20280	0.51
Smt. Sonia Bhatia***	Whole Time Director	Promoter/ Executive	Nil	Nil
Smt. Sushma Bhatia**	Whole Time Director	Promoter/Executive	Nil	Nil
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
Sh. Ramesh Narayan Trivedi	Director	Independent	500	0.012
Sh. Narinder Pal Singh	Director	Independent	Nil	Nil

\*\*Resigned from the Directorship on 24.10.2013

\*\*\* Resigned from Directorship on 31.12.2013

\* appointed W.e.f. 14.11.2013

\*\*\*\* Ceased w.e..f 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 <sup>1</sup> 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*	2#	YES	—	—	—

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Prem Sagar**	-	-	1	3	3
Pradeep K. Goenka	4	YES	6	2	2
R. K. Bhatia	2	YES	–	–	–
Yashpal	4	YES	–	–	–
Mamta Bhatia	4	YES	–	–	–
Sonia Bhatia	3	YES	–	–	–
Manju Bhatia#	1 @	NO			
Ramesh Narayan Trivedi	4	YES	1	4	1
Narinder Pal Singh	4	YES	–	–	–

@ out of two meeting held since the date of her appointment.

#out of two meeting held since the date of her appointment.

\*\* resigned w.e.f. 29.5.2013, # appointed w.e.f. 14.11.2013

1. Number of Directorship excludes Directorship in Private Limited Companies.

### Details of Board Meetings held during the year 2013-2014 :

Date of Meeting	No. of Directors Present
29.05.2013	10
14.08.2013	10
14.11.2013	10
14.02.2014	10

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

The last AGM was held on 28.09.2013

### 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**

<b>Name</b>	<b>Position</b>	<b>Category</b>	<b>Attendance during the year 2013-14</b>
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	4
Shri. Narinder Pal Singh	Member	Independent and Non Executive Director	4

The Company Secretary acts as Secretary to the Audit Committee. During the year 2013-2014 the Committee met four times on 29th May, 2013, 14th Aug, 2013, 14th Nov, 2013 and 14th Feb 2014 respectively.

**REMUNERATION COMMITTEE****Terms of Reference**

- determining / recommending the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- determining / recommending the criteria for qualifications, positive attributes and independence of Directors;
- identifying candidates who are qualified to become Directors and who may be appointed in Senior Management and recommending to the Board their appointment and removal;
- reviewing and determining all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonus, stock options, pension, etc.;
- reviewing and determining fixed component and performance linked incentives for Directors along with the performance criteria;
- determining policy on service contracts, notice period, severance fees for Directors and Senior Management;
- evaluating performance of each Director and performance of the Board as a whole;

**Composition**

The Remuneration Committee of the Company of five Independent directors and is in accordance with the requirements of clause 49 of Listing Agreement.

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.

**Number of Meetings and Attendance**

<b>Name</b>	<b>Position</b>	<b>Category</b>	<b>Attendance during the year 2013-14</b>
Shri Yashpal	Chairman	Independent and Non Executive Director	1
Shri P. K. Goenka	Member	Independent and Non Executive Director	1
Shri R. K. Bhatia	Member	Independent and Non Executive Director	1
Shri Ramesh Narayan Trivedi	Member	Independent and Non Executive Director	1
Shri Narinder Pal Singh	Member	Independent and Non Executive Director	1

The Company Secretary acts as Secretary to the Remuneration Committee. During the year 2013-2014, the Committee met once on 14.11.2013

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The details of remuneration paid to all Directors during the year 2013-2014

Sr. No.	Name of Director	Remuneration (Rs. in lacs)				
		Sitting Fees	Salary	LTC	Perquisites	Incentive
1.	Shri K. L. Bhatia	—	19.50	0.91	1.31	4.69
2.	Shri Kapil Bhatia	—	16.25	—	0.74	8.26
3.	Shri Neeraj Bhatia	—	16.25	—	0.74	8.26
4.	Smt. Sushma Bhatia	—	7.58	0.91	0.94	—
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	0.40	—	—	—	—
10.	Shri. Narinder Pal Singh	0.40	—	—	—	—
11.	Smt. Mamta Bhatia	—	15.60	—	—	—
12.	Smt Sonia Bhatia	—	9.75	—	—	—
13.	Smt. Manju Bhatia	—	4.87	—	—	—

### INVESTOR GRIEVANCE COMMITTEE

#### Terms of Reference

- considering and resolving the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc.;
- ensuring expeditious share transfer process in line with the proceedings of the Share Transfer Committee;
- evaluating performance and service standards of the Registrar and Share Transfer Agent of the Company;
- providing guidance and making recommendations to improve service levels for the investors.

#### Composition and Attendance at the meeting

Name	Position	Category	Attendance during the year 2013-14
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	4
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 2013-2014 the Committee met four times on 29th May, 2013, 14th Aug, 2013, 14th Nov, 2013 and 14th Feb 2014 respectively.

### GENERAL BODY MEETINGS

Last three Annual General Meetings :

No. of AGM & F.Y.	Date & Time	Location	Special Resolution(s) Passed
31st AGM 2010-2011	30-09-11 at 12.30 p.m.	Hotel Royal Cliff Kanpur	No special resolution was passed
32nd AGM 2011-2012	22-09-12 at 12.30 p.m.	Hotel Royal Cliff Kanpur	Increase in Remuneration payable to Executive Directors of Company.
33rd AGM 2012-2013	28.09.2013 at 12.30 p.m.	E-14, Panki Industrial Area Site-I, Kanpur	No special resolution was passed

**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 2013-2014**

The total numbers of complaints/ queries received and replied to the satisfaction of shareholders during the year 2013-2014 were 205. There were no outstanding complaint/ queries as on 31st March 2014.

There were no pending share transfers in physical as well as in Demat category. All the requests received up to 31st March 2014 for share transfer have been processed within stipulated time.

**COMPLIANCE OFFICER**

Shri Dhruv Bhasin has been appointed as the Compliance Officer w.e.f. March 21, 2014 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 MGT-11 of the 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, 2014 around 83.44% 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	:	4616

**RECONCILIATION OF SHARE CAPITAL AUDIT**

A Practicing Company Secretary, 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.

**CEO & CFO CERTIFICATE & CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT**

In terms of the requirement of the Listing agreement CEO & CFO Certificate & declaration regarding code of business conduct and ethics for directors and senior management is placed at Annexure – (i) and forms part of this annual report.

## THIRTY FOURTH ANNUAL REPORT

### CORPORATE GOVERNANCE CERTIFICATE

Corporate Governance certificate for the year ended at 31st March, 2014 issued by M/s S K Gupta & Co., Company Secretaries is placed at Annexure – (ii) and forms part of this report.

### DISTRIBUTION OF HOLDING

The table below shows the distribution of shareholding of various groups as on March 31, 2014

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	1,00	1,879	609	202	2,690	58.276	183,492	52,453	14,398	2,50,343	6.356
101 to	5,00	878	454	174	1,506	32.626	234,523	1,34,484	54,014	4,23,021	10.741
501 to	1,000	66	99	51	216	4.679	58,130	86,482	43,063	1,87,675	4.765
1,001 to	5,000	32	84	37	153	3.315	60,340	1,98,874	81,211	3,40,425	8.643
5,001 to	10,000	2	10	7	19	0.412	13,900	75,882	49,998	1,39,780	3.549
10,001 to	20,000	0	3	3	6	0.13	0	44,630	49,744	94,374	2.396
20,001 to	30,000	1	5	1	7	0.152	25,000	1,13,959	20,489	1,59,448	4.048
30,001 to	40,000	0	2	3	5	0.108	0	77,726	91,317	1,69,043	4.292
40,001 to	50,000	0	1	1	2	0.043	0	44,781	41,075	85,856	2.18
50,001 to	1,00,000	1	6	0	7	.152	76,600	4,86,996	0	5,63,596	14.31
1,00,001 to	5,00,000	0	4	0	4	0.087	0	9,07,845	0	9,07,845	23.05
5,00,001 to	ABOVE	0	1	0	1	0.022	0	6,17,105	0	6,17,105	15.668
TOTAL		2,859	1,278	479	4,616	100	6,51,985	28,41,217	4,45,309	39,38,511	100.000

The table below shows the distribution of promoter and non-promoter shareholding as on March 31, 2014

Category	No. of share held	Percentage of Holding
<b>A. Promoter's Holding</b>	1743638	44.272
<b>B. Non Promoter's Holding</b>		
<b>I. Institutional Investors</b>		
Financial Institutions / Banks	400	0.01
<b>II. Others</b>		
Bodies Corporate	361023	9.17
Individuals	1821640	46.251
Non Resident Indians	10385	0.263
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
Apr. '13	19.75	23.90	16.15	20.10	23,691	399	4,59,264	22,873	96.55	7.75	0.35
May '13	19.80	23.60	18.00	18.20	8410	292	1,65,157	7055	83.89	5.60	-1.60
Jun. '13	19.00	22.50	15.00	18.70	8172	248	1,46,613	6903	84.47	7.50	-0.30
Jul. '13	20.50	21.50	14.00	14.00	11,266	236	1,87,510	9712	86.21	7.50	-6.50
Aug. '13	13.50	14.00	10.05	11.13	11,248	66	1,35,787	10,328	91.82	3.95	-2.37
Sep. '13	10.71	15.73	10.71	13.20	7514	48	94,314	7379	98.20	5.02	2.49
Oct. '13	11.89	12.20	9.66	10.51	8701	47	95,906	8329	95.72	2.54	-1.38
Nov. '13	11.03	12.05	10.25	10.88	12,688	43	1,36,530	10,135	79.88	1.80	-0.15
Dec. '13	10.41	12.14	10.00	12.14	5330	23	60,738	5015	94.09	2.14	1.73
Jan. '14	12.74	18.00	12.64	12.93	15,854	128	2,29,889	15,316	96.61	5.36	0.19
Feb. '14	13.00	15.30	11.75	13.51	26,927	92	3,29,971	26,766	99.40	3.55	0.51
Mar. '14	13.05	13.62	11.01	11.03	54,507	275	6,73,641	42,541	78.05	2.61	-2.02

**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](http://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 and Rashtriya Sahara.

**GENERAL SHAREHOLDERS INFORMATION****34th Annual General Meeting**

<b>Day, Date, Time and Venue</b>	Tuesday, 30th September, 2014 at 12.30 p.m. at the Registered Office of the company situated at E-14, Panki Industrial Area, Site-I, Kanpur-208 022.
<b>Dates of Book Closure</b>	From 22nd September to 30th September 2014 (both days inclusive)
<b>Registered Office</b>	E-14, Panki Industrial Area Site-I, Kanpur-2080 22 U.P.
<b>Plant Location</b>	<ul style="list-style-type: none"> <li>- KM 25/4, Kalpi Road, Rania, Kanpur Dehat-209 304 (U.P.)</li> <li>- Village Kunja, Near Dental College, Paonta Sahib, Distt. Sirmour (H.P.)</li> <li>- E-14, Panki Industrial Area Site-I, Kanpur-2080 22 (U.P.)</li> </ul>
<b>Compliance Officer</b>	Shri Dhruv Bhasin - Company Secretary Tele: (0512) 2691207, ( 0512) 2691208 Fax: (0512) 2691209 Email ID: c.s@frontiersprings.co.in, Website: <a href="http://www.frontiersprings.co.in">www.frontiersprings.co.in</a>
<b>Share Transfer Agent</b>	M/s ALANKIT ASSIGNMENTS LIMITED Alankit House, 2E/21, Jhandewalan Extension, New Delhi – 110 055. Email : <a href="mailto:lalitap@alankit.com">lalitap@alankit.com</a> , Phone : 011-42541958
<b>Share Transfer System</b>	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.
<b>Tentative dates for considering Financial Results</b>	Quarter ending June 30, 2014 – 2nd week of August 2014 Quarter ending September 30, 2014 – 2nd week of November 2014 Quarter ending December 31, 2014 – 2nd week of February 2015 For the year ending March 31, 2015 – 3rd week of May 2015
<b>Listing on Stock Exchanges &amp; Stock Code</b>	STOCK CODE BSE : 522195 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
<b>Listing fee</b>	Listing fees for the year 2014-2015 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.
<b>ISIN No</b>	INE572D01014 for NSDL and CDSL.

# THIRTY FOURTH ANNUAL REPORT

## Annexure 'A'

### INFORMATION ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING (In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Date of Birth	Expertise in specific functional areas	Qualifications	Directorships in other Public Limited Companies (Excluding Foreign Companies)	Shareholding in the Company	Other Information	Date of Last Re-appointment	Remarks
Smt. Mamta Bhatia	27.09.1966	Commercial/ Tax Law Advisor	M.B.A.	Nil	Ordinary Shares 37938	Executive Director	14.05.2011	Retiring by rotation at the forthcoming AGM
Smt. Manju Bhatia	19.05.1970	Sales	Graduate	Nil	Ordinary Shares 20280	Executive Director	14.11.2013	Regularisation as a Whole Time Director
Shri P. K. Goenka	15.09.1954	Financial Advisor	Chartered Accountant	2	-	Independent Director	31.07.2008	Re-Appt pursuant to provisions of Companies Act, 2013
Shri R. N. Trivedi	07.02.1948	Finance Accounts	Retd. IAS	-	-	Independent Director	30.09.2011	Re-Appt pursuant to provisions of Companies Act, 2013
Shri R. K. Bhatia	10.7.1954	Wide Experience in Administration	BMS	-	Ordinary Shares 500	Independent Director	31.07.2009	Re-Appt pursuant to provisions of Companies Act, 2013
Shri Yash Pal	01.04.1934	Investors Grievances Redressal	Retd. IAS	-	-	Independent Director	31.07.2008	Re-Appt pursuant to provisions of Companies Act, 2013
Shri N. P. Singh	05.09.1943	Wide Experience in Production & Sales	B.E. (Mechanical)	-	-	Independent Director	30.09.2011	Re-Appt pursuant to provisions of Companies Act, 2013

**Annexure - I****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*

DIN No. 00581799

**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 : 13.08.2014

KUNDAN LAL BHATIA

*Chairman & Managing Director*

DIN No. 00581799

NEERAJ BHATIA

*Chief Financial Officer*

DIN No. 00582395

**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, 2014, 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 : 13th August, 2014

## 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 2014, 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") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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).
- iii) Provision for payment of gratuity to director has been made on the payment basis (referred Note no. M of significant Accounting policies).
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
  - (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, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. : and
  - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 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 : 16.05.2014

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, 2014.

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. (a) The Company has not granted any loans, secured or unsecured to companies, firms or parties covered in the register maintained under Sec.301 of the Companies Act, 1956 during the year.  
(b) The Company has accepted deposits amounting to Rs. 27,00,000.00 from Shri Neeraj Bhatia Director of the Company, out of which principle amount of Rs. 8,05,000.00 and interest amounting to Rs. 1,74,004.00 has been paid, The Balance outstanding at the end of the year is Rs.19,60,223.00.  
(c) The Company has repaid interest amounting to Rs. 10,63,487.00 to M/s Vishpa Rail Equipment Pvt. Limited balance outstanding at the end of the year is Rs.1,27,72,663.00 listed in the register maintained under Section 301 of the Companies Act, 1956.  
(d) 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 if any and interest are 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. (a) According to the information and explanations provided by the management, we are of 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.  
(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (5)(a) above and exceeding the value of Rs. 5 lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. According to the information and explanations given to us, the Company has accepted deposit from the public that is from Director Mr. Neeraj Bhatia, 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 Company has no disputed statutory dues.
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 has raised new term loans during the year. The term loans raised during the year have been applied for the purposes for which they were raised.
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 covered in the registered maintain under section 301 of the Act.
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 : 16.05.2014

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

## THIRTY FOURTH ANNUAL REPORT

### BALANCE SHEET AS ON 31ST MARCH, 2014

	Note No.	Figure as at 31st March, 2014 Rs.	Figure as at 31st March, 2013 Rs.
<b>I. Equity &amp; Liabilities</b>			
<b>1. Shareholder's Funds</b>			
Share Capital	1	3,96,32,110.00	3,96,32,110.00
Reserves And Surplus	2	19,13,75,613.01	17,45,05,468.37
<b>2. Non-Current Liabilities</b>			
Long-term Borrowings	3	3,43,73,437.00	1,40,63,582.00
Other Long-term Liabilities	4	0.00	0.00
Long-term Provisions	5	0.00	0.00
Deferred Tax Liabilities (Net)	6	1,24,08,725.00	1,13,30,042.00
<b>3. Current Liabilities</b>			
Short-Term Borrowings	7	7,41,39,070.46	4,96,38,569.66
Trade Payables	8	7,24,32,778.82	6,24,87,177.80
Other Current Liabilities	9	87,51,660.00	30,48,869.00
Short-term Provisions	10	1,18,95,001.63	1,05,29,108.35
<b>Total</b>		<b>44,50,08,395.92</b>	<b>36,52,34,927.18</b>
<b>II. Assets</b>			
<b>1. Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	11	16,17,47,998.27	16,14,98,442.07
Intangible Assets		0.00	0.00
Capital Work In Progress	11	3,51,01,997.00	14,08,485.00
Intangible Assets Under Development	11	17,38,389.00	3,45,026.00
Non-Current Investments	12	20,43,825.06	28,43,825.06
Long-term Loans & Advances	13	72,18,233.00	1,12,62,369.00
<b>2. Current Assets</b>			
Inventory	14	11,09,88,452.92	9,45,78,645.62
Trade Receivables	15	10,34,22,012.01	7,25,92,065.74
Cash And Cash Equivalents	16	1,40,29,890.71	1,38,33,369.02
Short-term Loans And Advances	17	22,68,770.97	16,32,069.25
Other Current Assets	18	64,48,826.98	52,40,630.42
<b>Total</b>		<b>44,50,08,395.92</b>	<b>36,52,34,927.18</b>
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 : 16.05.2014

For and on behalf of Board of Directors

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

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014**

	Note No.	Figure as at 31st March, 2014 Rs.	Figure as at 31st March, 2013 Rs.
<b>INCOME</b>			
I. Revenue From Operations	19	<b>38,02,63,863.96</b>	39,18,17,384.00
II. Other Income	20	<b>17,44,191.76</b>	21,84,436.75
III. Total Revenue (I + II)		<b>38,20,08,055.72</b>	39,40,01,820.75
IV. Expenditure :			
Cost of Material Consumed	21	<b>19,77,63,021.31</b>	20,76,09,967.49
Changes In Inventories of Finished Goods And Stock-in-process	22	<b>(1,63,11,102.35)</b>	(1,91,15,911.30)
Employee Benefits Expenses	23	<b>1,51,58,371.89</b>	1,34,42,440.40
Finance Cost	24	<b>76,03,984.00</b>	77,42,769.20
Depreciation And Amortisation Expenses	25	<b>1,18,61,196.14</b>	1,07,44,867.81
Other Expenses	26	<b>14,33,61,888.09</b>	14,64,88,839.43
Total Expenses		<b>35,94,37,359.08</b>	36,69,12,973.03
V. Profit Before Exceptional And Extraordinary Items And Tax (III- IV)		<b>2,25,70,696.64</b>	2,70,88,847.72
VI. Exceptional Items		<b>0.00</b>	0.00
VII. Profit Before Extraordinary Items And Tax (V - VI)		<b>2,25,70,696.64</b>	2,70,88,847.72
VIII. Extraordinary Items		<b>0.00</b>	0.00
IX. Profit Before Tax (VII- VIII )		<b>2,25,70,696.64</b>	2,70,88,847.72
X. Tax Expenses			
(1) Current Tax		<b>(46,21,869.00)</b>	(52,64,150.00)
(2) Deferred Tax		<b>(10,78,683.00)</b>	(17,75,187.00)
XI. Profit (Loss) For The Period From Continuing Operations (X- Xi )		<b>1,68,70,144.64</b>	2,00,49,510.72
XII. Profit (Loss) For Discontinuing Operations		<b>0.00</b>	0.00
XIII. Tax Expenses of Discontinuing Operations		<b>0.00</b>	0.00
XIV. Profit (Loss) For Discontinuing Operations (After Tax ) (XII- XIII )		<b>0.00</b>	0.00
Xv. Profit (Loss) For The Period ( Xi + Xiv )		<b>1,68,70,144.64</b>	2,00,49,510.72
XVI. Earning Per Equity Share of Face Value of Rs.10 Each	27		
(1) Basic		<b>4.28</b>	5.10
(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 : 16.05.2014

For and on behalf of Board of Directors

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

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### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31.03.2014	(Rs. in Lacs) As at 31.03.2013
<b>A) Cash Flow From Operating Activities</b>		
Net Profit Before Tax	225.71	270.89
Item Adjustment For :-		
Depreciation & Amortisation Expenses	118.61	107.45
Interest Expenditure (Bank & Loan)	76.04	77.43
Rental Income	(0.60)	(0.60)
Interest Income	(9.98)	(12.30)
Dividend Income	(0.75)	(0.76)
Fluctuation In Foreign Currency	(1.80)	(6.85)
Entry Tax Recoverable	0.00	(1.33)
Loss On Sale Of Car Taken As Extra Ordinary Item	3.09	10.38
Long Term Capital Loss	0.00	2.71
Hire Charges	1.09	1.65
Operating Profit Before Working	411.41	448.67
Capital Changes		
Adjustment For :-		
Inventories	(164.10)	(140.49)
Sundry Debtors	(308.30)	118.43
Loan & Advances	21.99	(44.80)
Sundry Creditors	99.46	26.35
Sundry Provisions	70.69	(11.33)
Cash Generated From Operations	131.15	396.83
Extra Ordinary Items	(3.09)	(13.09)
Tax Paid	(46.22)	(52.64)
<b>Net Cash (Used In) From Operation Activities (A)</b>	<b>81.84</b>	<b>331.10</b>
<b>(B) Cash Flow From Investing Activities :</b>		
Increase In Fixed Assets	(479.50)	(295.76)
Investment	8.00	3.00
Sale Of Fixed Assets	7.52	24.55
Interest Received	9.98	12.30
Dividend Received	0.75	0.76
Fluctuation In Foreign Currency	1.80	6.85
Entry Tax Recoverable	0.00	1.33
Rent Received	0.60	0.60
<b>Net Cash (Used In) From Investing Activities (B)</b>	<b>(450.85)</b>	<b>(246.37)</b>
<b>C) Cash Flow From Financing Activities</b>		
Proceeds From Share Capital	0.00	0.00
Proceeds (Adjustment) From Capital Subsidy	0.00	0.00
Proceeds/(Repayment) From Borrowings	425.43	(15.12)
Proceeds/(Repayment) Of Unsecured Loan	22.68	12.04
Dividend Paid (Including Dividend Distribution Tax)	0.00	(6.39)
Interest Paid (Bank & Loan)	(76.04)	(77.43)
Hire Charges	(1.09)	(1.65)
<b>Net Cash(used In)/From Financing Activities (C)</b>	<b>370.98</b>	<b>(88.55)</b>
<b>Net(decrease)/Increase In Cash And Cash Equivalents (A+B+C)</b>	<b>1.97</b>	<b>(3.82)</b>
Cash And Cash Equivalents-opening	138.33	142.15
Cash And Cash Equivalents-closing	140.30	138.33

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 : 16.05.2014

For and on behalf of Board of Directors

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

## **SIGNIFICANT ACCOUNTING POLICIES**

### **Company Overview**

FRONTIER SPRINGS LTD. is a Listed Public Limited Company having its registered office at 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, Sirmaor 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

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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 and there is no current investment. Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

### **J. Inventories**

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

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

Closing stock of Finished goods & Scrap amounting to Rs.1,24,05,485.85 (Pre.Yr.Rs.1,65,52,457.94) includes the amount of Excise duty, education cess and higher secondary education cess on excise amounting to Rs.10,38,716.00 (Pre.Yr. Rs. 13,15,928.00). 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'.

There was no provision for gratuity of directors. The provision of gratuity on retirement of director is made on cash basis amounting to Rs.10,00,000.

**Provident fund**

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

The Company's contribution to Provident Fund and Family Pension Fund is charged to profit & loss account.

**N. Employee Separation Costs**

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

**O. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are 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 restatement, 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.

The Company is contingently liable towards Bank guarantee provided to the tune of Rs.192.83 lacs in favour of Indian Railways and H.P.S.E.B. and contingently liable towards Letter of credit provided to the tune of Rs.232.37 lacs in favour of M/s SunFlag Iron & Steel Co. Ltd. and Central UP GAS Limited (Prev. Yr. Bank guarantee of Rs. 151.84 lacs in favour of Indian Railways, BEML Ltd. and H.P.S.E.B. and Letter of credit 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,).

### **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, 2014

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

Particulars	Figure as at 31st March, 2014 Rs.	Figure as at 31st March, 2013 Rs.
<b>1. Share Capital</b>		
Authorised Capital:		
50,00,000 Equity Shares Of Rs.10/-each	5,00,00,000.00	5,00,00,000.00
10,000 12% Redeemable Preference Shares Of Rs. 100/- Each Redeemable After 5 Years	10,00,000.00	10,00,000.00
<b>Total</b>	<b>5,10,00,000.00</b>	<b>5,10,00,000.00</b>
<b>Issued Capital</b>		
39,87,911 Equity Shares Of Rs. 10/- Each (Including 12,57,500 Shares Issued As Bonus)	3,98,79,110.00	3,98,79,110.00
<b>Total</b>	<b>3,98,79,110.00</b>	<b>3,98,79,110.00</b>
<b>Subscribed And Paid Up Capital</b>		
39,38,511 Equity Shares Of Rs. 10/- Each Fully Paid Up (Including 12,57,500 Shares Issued As Bonus)	3,93,85,110.00	3,93,85,110.00
49,400 Equity Share Forfeited (Paid Up Rs.5/- Only)	2,47,000.00	2,47,000.00
<b>Total</b>	<b>3,96,32,110.00</b>	<b>3,96,32,110.00</b>

The Company has issued 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.

Share Capital	Figure as at 31st March, 2014 Rs.	Figure as at 31st March, 2013 Rs.
<b>Authorised Capital:</b>		
50,00,000 Equity Shares of Rs.10/-each	5,00,00,000.00	5,00,00,000.00
10,000 12% Redeemable Preference Shares of Rs. 100/- Each Redeemable After 5 Years	10,00,000.00	10,00,000.00
<b>Issued Capital</b>		
39,87,911 Equity Shares of Rs. 10/- Each (Including 12,57,500 Shares Issued As Bonus)	3,98,79,110.00	3,98,79,110.00
<b>Subscribed And Paid Up Capital</b>		
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
A) Share Held by Ultimate Holding Company and its Subsidiaries	<b>Not Applicable</b>	Not Applicable
B) Reconciliation of Share outstanding balance at the	<b>No. of Shares/ Amount</b>	<b>No. of Shares/ Amount</b>
Beginning of the year	3938511/39385110	39,38,511/3,93,85,110
Add : Issued during the year Balance at the end of the year	Nil	Nil
Balance at the end of the year	3938511/39385110	39,38,511/3,93,85,110
C) Details of Share Holders Holding more than 5% of the aggregate Share in the Company.		
Name of Share Holders	No. of Shares	Amount
1. Kundan Lal Bhatia	3,32,648	33,26,480.00
2. Puran Chand Bhatia	6,17,105	61,71,050.00
3. Charan Dass Bhatia	2,70,758	27,05,780.00
Right, Preference and Restriction attached to shares		Nil
D) The Company has equity shares having par value of Rs.10/- Each shareholder is eligible for one vote per share held.		Nil

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### NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	Figure as at 31st March, 2014 Rs.	Figure as at 31st March, 2013 Rs.
<b>2. RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
Opening Balance	0.00	0.00
Add : Transferred From Surplus	0.00	0.00
<b>Closing Balance</b>	0.00	0.00
<b>Securities Premium Account</b>		
(On 22,27,500 Equity Shares of Rs.10/- Each Per Share Including Premium Received @ 5/- On 49,400 Shres Foefeited)		
<b>Opening Balance</b>	2,20,28,000.00	2,20,28,000.00
Add : On Issue of Shares	0.00	0.00
<b>Closing Balance</b>	2,20,28,000.00	2,20,28,000.00
General Reserve;		
<b>Opening Balance</b>	2,00,00,000.00	2,00,00,000.00
Add : Transferred From Surplus	0.00	0.00
<b>Closing Balance</b>	2,00,00,000.00	2,00,00,000.00
Surplus;		
<b>Opening Balance</b>	13,24,77,468.37	11,30,67,142.65
Add : Net Profit After Tax Transferred From Statement of Profit And Loss	1,68,70,144.64	2,00,49,510.72
Amount Available For Appropriation	14,93,47,613.01	13,31,16,653.37
Appropriations:		
Dividend Tax	0.00	6,39,185.00
Closing Balance	14,93,47,613.01	13,24,77,468.37
Total	19,13,75,613.01	17,45,05,468.37
<b>3. LONG-TERM BORROWINGS</b>		
<b>(I) Term Loans</b>		
Kotak Mahindra Prim.ltd. Car Loan	3,98,699.00	8,18,707.00
State Bank of India (Car)Term Loan A/C (All Car Loan Against Hypothecation of Cars )	0.00	7,79,875.00
State Bank of India Term Loan A/C (Term Loan Against Hypothecation of P/M )	2,12,02,075.00	0.00
Total	2,16,00,774.00	15,98,582.00
<b>(II) Deposits</b>		
(Inter Corporate Body Deposits) Vishpa Rail Equipments Pvt. Ltd.	1,27,72,663.00	1,24,65,000.00
Total	1,27,72,663.00	1,24,65,000.00
Total	3,43,73,437.00	1,40,63,582.00

**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014**

Particulars	Figure as at 31st March, 2014 Rs.	Figure as at 31st March, 2013 Rs.
<b>4. OTHER LONG-TERM LIABILITIES</b>		
Total	<b>0.00</b>	0.00
<b>5. LONG-TERM PROVISIONS</b>		
Total	<b>0.00</b>	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 <sup>st</sup> March, 2014		As At 31 <sup>st</sup> March, 2013	
	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	<b>2,87,951.00</b>	—	3,31,218.00	—
Leave encashment payable	<b>50,467.00</b>	—	1,12,222.00	—
Gratuity Payable	<b>3,24,450.00</b>			
3. Difference between book and tax depreciation	—	<b>1,30,71,593.00</b>	—	1,17,73,482.00
Total	<b>6,62,868.00</b>	<b>1,30,71,593.00</b>	4,43,440.00	1,17,73,482.00
Net Deferred Tax Liability	<b>1,24,08,725.00</b>		1,13,30,042	

The difference Deferred Tax Liability for the year ended 31st March, 2014 Rs. 10,78,683.00 has been debited to Profit & Loss Account.

## THIRTY FOURTH ANNUAL REPORT

### NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	Figure as at 31st March, 2014 Rs.	Figure as at 31st March, 2013 Rs.
<b>7. SHORT-TERM BORROWING</b>		
Working Capital Loan		
Secured		
(I) Secured Working Capital Loan		
State Bank of India C/C A/C	4,14,56,059.46	2,12,42,577.66
(Against Hypothecation of Stock)		
State Bank of India Book Debts A/C	2,31,38,702.00	2,52,02,763.00
(Against Hypothecation of Book Debts)		
State Bank of India Slc A/C	75,84,086.00	31,93,229.00
(Against Hypothecation of Stock & Book Debts)		
Total	7,21,78,847.46	4,96,38,569.66
(II) Unsecured Loan		
Neeraj Bhatia	19,60,223.00	0.00
Total	19,60,223.00	0.00
Total	7,41,39,070.46	4,96,38,569.66
7.1 Primary secured by the hypothecation of Company's entire current assets (both present and future) and the first charge on entire fixed assets of the Company inclusive of equitable mortgage of factory land & building situated at E-14, Panki Industrial Area Kanpur, and first charge on entire fixed assets of the Company inclusive of equitable mortgage of factory land & building situated at KM-25/4, Kalpi Road, Rania Kanpur, also first charge on entire fixed assets of the Company inclusive of equitable mortgage of factory land & building situated at 91/2, Kunja Paonta shahib (H.P.). Loans are guaranteed by Directors Shri K.L. Bhatia, Shri Kapil Bhatia, Shri Neeraj Bhatia.		
7.2 Company has taken unsecured loan Rs.27,00,000.00 from Shri Neeraj Bhatia Director of the Company and has repaid Rs.9,79,004.00 till date (including interest Rs.1,74,004.00).		
<b>8. TRADE PAYABLES</b>		
(I) Payables for Raw Material & Stores	6,68,88,719.89	5,79,57,038.20
(II) Payables for Services	55,44,058.93	45,30,139.60
Total	7,24,32,778.82	6,24,87,177.80
<b>9. OTHER CURRENT LIABILITIES</b>		
(I) Statutory Liabilities	29,80,830.00	21,10,061.00
(II) Income Tax Payable	0.00	4,39,084.00
(III) Un-claimed Dividend (2010-11)	3,84,126.00	1,90,592.00
(IV) Un-claimed Dividend (2011-12)	4,11,282.00	3,09,132.00
(V) Creditors For Capital Supplies	40,09,865.00	0.00
(VI) Advance From Customers	9,65,557.00	0.00
Total	87,51,660.00	30,48,869.00
<b>10. SHORT-TERM PROVISIONS</b>		
(I) Provisions for Employee Benefits		
Gratuity Insurance Payable	8,90,187.00	10,40,762.00
Provision for Gratuity	10,00,000.00	0.00
Leave Encashment Payable	18,04,706.00	18,79,222.00
(II) Other Provisions		
Provisions	82,00,108.63	76,09,124.35
Total	1,18,95,001.63	1,05,29,108.35

# NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

## 11. FIXED ASSETS

Name of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as on 01.04.2013	Addition during the year	Trf./Adjustment during the year	Total as on 31.3.2014	Upto 31.03.2013	For the Year	Trf. / Adjustment For year	Total as on 31.03.2014	Balance as on 31.03.2013	Balance as on 31.03.2014
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Lease Hold Land	1,65,621.02	0.00	0.00	1,65,621.02	0.00	0.00	0.0	0.00	0.00	1,65,621.02
Free Hold Land	1,84,69,971.00	0.00	0.00	1,84,69,971.00	0.00	0.00	0.00	0.00	0.00	1,84,69,971.00
Building	3,62,07,935.91	17,40,833.00	0.00	3,79,48,768.91	78,89,048.89	12,11,622.46	0.00	91,00,671.35	2,83,18,887.02	2,88,48,097.56
Plant & Machinery	12,63,07,899.92	51,82,811.34	0.00	13,14,90,711.26	5,17,44,710.71	61,08,425.82	0.00	5,78,53,136.53	7,45,63,189.21	7,36,37,574.73
Tools Moulds & Rolls (Iron)	1,02,15,258.13	43,25,308.00	0.00	1,45,40,566.13	23,91,360.74	13,62,043.23	0.00	37,53,403.97	78,23,857.39	1,07,87,162.16
Generator	50,58,800.00		0.00	50,58,800.00	7,74,139.06	2,40,293.00	0.00	10,14,432.06	42,84,660.94	40,44,367.94
Lab & Testing Equipments	70,44,372.75	10,05,508.00	0.00	80,49,880.75	10,90,743.90	3,74,216.06	0.00	14,64,959.96	59,53,628.85	65,84,920.79
Office Equipments	30,78,139.00	4,19,030.00	0.00	34,97,169.00	3,69,329.27	1,55,993.70	0.00	5,25,322.97	27,08,809.73	29,71,846.03
Electric Fittings & Equipments	60,11,240.05	18,468.00	0.00	60,29,708.05	5,53,263.23	2,86,199.64	0.00	8,39,462.87	54,57,976.82	51,90,245.18
Furniture & Fixture	47,92,688.16	1,07,944.00	0.00	49,00,632.16	25,62,013.68	1,56,040.95	0.00	27,18,054.63	22,30,674.48	21,82,577.53
Vehicles	1,57,15,595.60		16,01,376.00	1,41,14,219.60	53,58,957.45	14,54,391.91	8,49,246.00	59,64,103.36	1,03,56,638.15	81,50,116.24
Computer	31,25,769.00	62,980.00	0.00	31,88,749.00	19,61,281.54	5,11,969.37	0.00	24,73,250.91	11,64,487.46	7,15,498.09
Total	23,61,93,290.54	1,28,62,882.34	16,01,376.00	24,74,54,796.88	7,46,94,848.47	1,18,61,196.14	8,49,246.00	8,57,06,798.61	16,14,98,442.07	16,17,47,998.27
Previous Year	20,50,20,295.27	3,49,99,122.27	38,26,127.00	23,61,93,290.54	6,53,20,232.66	1,07,44,867.81	13,70,252.00	7,46,94,848.47	16,14,98,442.07	16,14,98,442.07
Capital Work In Progress										3,51,01,997.00
Intangible Assets Under Development										17,38,389.00

11.1 Capital Work-in-Progress and Intangible Assets under development include :

- Rs. 92,02,330.00 on account of worked Building Work-in-Progress and Rs.2,58,99,667.00 on account of Plant & Machinery Work-in-Progress for new Forging unit at Rania, Kanpur Dehat. (Previous Year Rs. 13,45,793.00 on account of Building Work-in-Progress for new Forging unit at Rania, Kanpur Dehat and Rs.62,692.00 on account of Plant & Machinery Work-in-Progress for Forging Div. at Panki, Kanpur.)
- Rs. 17,38,389.00 on account of pre-operative expenses for new Forging unit at Rania, Kanpur Dehat. (Previous Year Rs. Rs. 3,45,026.00 on account of pre-operative expenses for new Forging unit at Rania, Kanpur Dehat.)

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

Place : Kanpur  
Date : 16.05.2014  
Membership No. 71140  
Chairman & Managing Director  
K. L. BHATIA  
Managing Director  
KAPIL BHATIA  
NEERAJ BHATIA  
CFO  
DHRUV BHASIN  
Company Secretary  
SANJAY NIGAM  
Manager Accounts

## THIRTY FOURTH ANNUAL REPORT

### NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

#### 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 31.03.2014 any date near to (Rs.)
Frontier Alloy Steels Ltd. (Preference Share)	(Un.q.)	8,000	8,00,000	8,00,000.00	—	8,00,000.00	—	N/A
I.D.B.I.	(Q.)	150	1,500	48,750.00	—	—	—	9,819.00
S.B.I.	(Q.)	180	1,800	79,810.00	7,470.00	—	—	3,45,294.00
Idea-IPO	(Q)	230	2,300	17,250.00	69.00	—	—	31,625.00
B.E.M.L.	(Q)	175	1,750	1,76,593.33	438.00	—	—	51,030.00
B.H.E.L .	(Q)	750	1,500	3,32,386.52	3,451.00	—	—	1,47,600.00
Bharti Airtel Ltd.	(Q)	150	750	68,030.29	750.00	—	—	47,835.00
H.c.I.technologies Ltd.	(Q)	100	200	32,371.38	800.00	—	—	1,39,050.00
IFCI Limited	(Q)	2,500	25,000	1,45,968.14	2,000.00	—	—	66,375.00
Infosys Limited	(Q)	75	375	1,27,661.56	3,525.00	—	—	2,45,913.75
MRPL	(Q)	500	5,000	40,280.00	—	—	—	23,775.00
NTPC Ltd.	(Q)	300	3,000	70,382.68	1,800.00	—	—	35,985.00
Omaxe Ltd.	(Q)	502	5,020	1,24,940.67	351.51	—	—	63,678.70
Reliance Communication Ltd.	(Q)	75	750	54,635.96	18.75	—	—	9,641.25
Reliance Infrastructure Ltd	(Q)	25	250	43,110.41	2,070.00	—	—	10,876.25
Reliance Industries Ltd.	(Q)	230	2,300	2,89,454.71	185.00	—	—	2,13,785..00
Reliance Power Ltd.	(Q)	320	3,200	89,271.48	—	—	—	22,512.00
Tata Motors Limited	(Q)	1,000	2,000	1,47,742.92	2,000.00	—	—	3,98,350.00
Tata Power	(Q)	250	250	32,673.26	287.50	—	—	21,200.00
Tata Steels Ltd.	(Q)	50	500	42,115.11	400.00	—	—	19,692.50
Siti Cable Network Ltd.	(Q)	300	3,000	29,615.64	—	—	—	6,210.00
Indian Hotels Co.ltd.	(Q)	500	5,000	50,781.00	400.00	—	—	36,150.00
<b>TOTAL</b>				<b>28,43,825.00</b>	<b>74,015.76</b>	<b>8,00,000.00</b>		<b>19,46,397.45</b>

##### Note:-

- (i) 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, 2014

Particulars	Figure as at 31st March, 2014 Rs.	Figure as at 31st March, 2013 Rs.
<b>13. LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured And Considered Good)		
(A) Advance For Capital Items	38,31,222.00	76,30,912.00
(B) Security Deposits	33,87,011.00	36,31,457.00
<b>TOTAL</b>	<b>72,18,233.00</b>	<b>1,12,62,369.00</b>

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.38,345/- given to M/s Thermal System & Engineering ,Rs.2,90,000/-advance given to supplier on account of Plant & Machinery, Rs.3,50,000/- given as advance for building material to suppliers for construction of work-shed building.(Prev.Yr.Rs.31,52,877/- advance to Unitech Limited on account of booking of a flat at Gurgaon, Rs.1,00,000/- given for as advance building material to suppliers for construction of road.) And (Prev.Yr. Rs.43,78,035/- given as advance to Nikita Marketing, Nondestructive Test Appliations 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.8,66,441/-)
- Rs.13,25,277/- deposit with Indian Railway against warrantee(Prev.Yr.Rs.11,99,736/-), Rs.27,450/- deposit for gas cylinder with IOC (Prev.Rs.27,450/-). (Prev.Yr. Rs.1,11,202/-) deposit with Sales Tax deptt. ,
- Rs.65,805/- deposit for Telephone with BSNL (Prev.Yr. Rs.69,485/-)

## 14. INVENTORIES

1. Raw Material	2,50,71,890.10	2,21,00,544.41
2. Stock-in-process	6,30,71,204.83	426,13,130.39
3. Finished Goods	1,03,80,124.78	1,54,40,264.02
4. Scrap	20,25,361.07	11,12,193.92
5. Furnace Oil	5,39,984.35	4,93,191.36
6. Diesel Oil	2,34,015.66	1,29,951.81
7. Consumable Stores	93,20,467.45	68,02,429.20
8. Packing Material	3,45,404.68	5,70,040.51
9. Stock-in-transit	0.00	53,16,900.00
<b>Total</b>	<b>11,09,88,452.92</b>	<b>9,45,78,645.62</b>

14.1 Stock-in-Transit Rs. NIL

(Previous year 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 dt. 02.04.2013.

## 15. SUNDRY DEBTORS

(Unsecured But Considered Good Holding No Security Other than Debtors Personal Security)

Debts Due For Less Than Six Months	10,15,27,712.00	7,04,57,172.04
Debts Due For More Than Six Months	18,94,300.01	21,34,893.70
<b>Total</b>	<b>10,34,22,012.01</b>	<b>7,25,92,065.74</b>

## THIRTY FOURTH ANNUAL REPORT

### NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	Figure as at 31st March, 2014 Rs.	Figure as at 31st March, 2013 Rs.
<b>16. CASH AND CASH EQUIVALENTS</b>		
(A) Cash In Hand (As Certified By Management)	1,87,545.95	3,12,195.10
(B) Balance With H.D.F.C Bank Ltd.	1,34,402.21	4,64,194.21
(C) Balance With S.B.I. Sme Power Pack A/C	68,872.68	10,53,267.19
(D) Balance With P.N.B. Current A/C (Gratuity)	11,619.00	11,919.00
(E) Balance With S.B.I. Sme Power Pack (Paonta)	63,721.76	1,19,517.70
(F) Balance With S.B.I. Sme Power Pack (Forging Div.)	68,915.11	56,709.82
(G) Balance With Yes Bank Ltd.(un-claim Dividend A/C)	7,95,408.00	4,99,724.00
(G) S.T.D.R. With S.B.I. Agst. Sales Tax	50,000.00	50,000.00
(H) S.T.D.R. With S.B.I. Agst. L/C & B.G.	1,26,43,906.00	1,12,60,342.00
(I) S.T.D.R. With W. Rly.agst. Security	5,500.00	5,500.00
Total	1,40,29,890.71	1,38,33,369.02
16.1 Balance with YES Bank Ltd. of Rs. 7,95,408/- is on account of Unpaid Dividend Rs.3,84,126/-for the period 2010-11 and Rs. 4,11,282/- for the period 2011-12.		
<b>17. SHORT-TERM LOANS AND ADVANCES</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured But Considered Good)		
I) Advance To Trade Supplier	1,88,199.47	1,63,418.47
II) Advance To Staff Agst.salary	11,10,250.00	6,31,880.00
III) Advances For Expenses	21,448.50	17,127.50
IV) Prepaid Expenses	5,07,995.00	8,19,643.28
V) Income Tax Refund (A.y.2013-14)	2,60,916.00	0.00
VI) Income Tax Refund (A.y.2014-15)	1,79,962.00	0.00
TOTAL	22,68,770.97	16,32,069.25
<b>18. OTHER CURRENT ASSETS</b>		
Accrued Interest On S.T.D.R.	42,848.42	5,28,750.42
Cenvat Recov.(Input)	14,47,268.00	3,16,557.00
Cenvat Recov.(C.goods)	5,07,903.00	27,00,311.00
Cenvat Deferred (C.goods)	30,17,487.00	5,39,545.00
Cess Duty Recov.(C.goods)	1,522.00	45,245.00
Cess Duty Deferred (C.goods)	46,351.00	10,488.00
Cess Duty Recov. Input	28,060.00	6,697.00
Cess On Service Tax On Input Services	2,562.00	5,595.00
Entry Tax Recov.	0.00	25,117.00
S.H.E. Cess Duty Deferred (C. Goods)	22,899.00	5,225.00
S.H.E. Cess Duty Recov. (C. Goods)	441.00	22,631.00
S.H.E. Cess Duty Recov.(Input)	15,028.00	4,013.00
S.H.E. Cess On Service Tax On Input Services	1,293.00	2,729.00
Personal Ledger Account (Excise & Cess)	7,155.00	56,616.00
Service Tax On Input Services	1,26,400.00	2,78,144.00
Service Tax (Advance) Deposit	6,772.00	2,316.00
Vat Recov. On Raw Material & Other Purchase	0.00	4,96,820.00
Vat Credit Defrd. (Pre.yr.) On C. Goods	1,29,221.00	1,93,831.00
Vat Credit Defrd. On C. Goods	10,45,616.56	0.00
Total	64,48,826.98	52,40,630.42

**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014**

Particulars	Figure as at 31st March, 2014 Rs.	Figure as at 31st March, 2013 Rs.
<b>19. REVENUE FROM OPERATIONS</b>		
<b>GROSS SALES</b>		
Sales Central (Coil Agst. C Form)	14,14,88,985.46	17,60,95,608.00
Sales Central (Coil Agst. Full Tax)	18,06,49,034.00	18,01,86,624.00
Sales Central (Grinding Dust Full Tax)	29,860.00	43,543.00
Sales Central (Forging Items Agst. C Form)	1,85,59,343.00	77,13,061.00
Sales Central (Forging Items Agst. full Tax)	1,16,12,720.00	88,899.00
Sales U.P. (Coil Agst. Full Tax)	2,65,20,242.00	3,19,51,442.00
Sales U.P. (Forging Items Agst. Full Tax)	2,27,40,716.00	1,64,19,587.00
Sales U.P. (Scrap Agst. Full Tax)	29,92,381.00	20,29,364.00
Sales H.P. (Scrap Agst. Vat)	8,49,340.00	15,42,677.00
Sales Export	34,54,382.00	1,00,30,706.00
	<b>40,88,97,003.46</b>	<b>42,61,01,511.00</b>
Less: Sales Return	(13,44,915.00)	(62,88,175.00)
	<b>40,75,52,088.46</b>	<b>41,98,13,336.00</b>
Less : Central Excise Duty	(2,72,88,224.50)	(2,79,95,952.00)
	<b>38,02,63,863.96</b>	<b>39,18,17,384.00</b>
<b>20. OTHER INCOME</b>		
Entry Tax Recoverable	0.00	1,33,136.00
Dividend Received	74,515.76	76,043.75
Fluctuation In Foreign Currency	1,80,026.00	6,85,246.00
Interest On S.T.D.R.	9,98,144.00	12,30,011.00
Jobwork Recd.	4,31,506.00	0.00
Rent Fron Work Shed Received	60,000.00	60,000.00
	<b>17,44,191.76</b>	<b>21,84,436.75</b>
<b>21. COST OF MATERIAL CONSUMED</b>		
Raw Material Consumed		
Opening Stock	2,21,00,544.41	3,12,13,577.83
Add : Purchases	20,07,34,367.00	19,84,96,934.07
(Including Freight, Intt. on L/C & Entry Tax)		
Less : Closing Stock	2,50,71,890.10	2,21,00,544.41
	<b>19,77,63,021.31</b>	<b>20,76,09,967.49</b>

## THIRTY FOURTH ANNUAL REPORT

### NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	Figure as at 31st March, 2014 Rs.	Figure as at 31st March, 2013 Rs.
<b>22. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-PROCESS</b>		
Inventories (At closing)		
Finished Goods	1,03,80,124.78	1,54,40,264.02
Scrap	20,25,361.07	11,12,193.92
Stock-in- Process	6,30,71,204.83	4,26,13,130.39
	<u>7,54,76,690.68</u>	<u>5,91,65,588.33</u>
Inventories (At Commencement)		
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>
Total	<u>(1,63,11,102.35)</u>	<u>(1,91,15,911.30)</u>
<b>23. EMPLOYEES BENEFIT EXPS.</b>		
Apprenticeship Fee	0.00	2,550.00
Bonus	8,92,124.00	10,44,132.00
E.S.I.	6,03,564.00	5,50,950.00
Gratuity Insurance	26,99,425.00	16,92,610.00
House Rent Allowance	11,97,591.00	11,52,180.00
Incentive And Compensation	7,97,515.00	7,16,218.00
Insurance To Staff & Worker	59,686.00	0.00
Leave Encashment	5,00,815.00	6,75,681.00
Medical Expenses	3,39,357.00	3,00,585.00
Provident Fund	15,58,473.00	14,06,830.00
Retainership Fee	1,87,800.00	1,19,650.00
Salary To Administrative & Sales Staff	57,60,650.00	52,35,100.00
Staff Fooding & Welfare	5,61,371.89	4,97,954.40
Staff Training Exps.	0.00	48,000.00
Total	<u>1,51,58,371.89</u>	<u>1,34,42,440.40</u>
<b>24. FINANCE COST</b>		
Interest To Bank	59,93,607.00	65,22,552.80
Interest On Unsecured Loan	16,10,377.00	12,20,216.40
Total	<u>76,03,984.00</u>	<u>77,42,769.20</u>
<b>25. DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation Expenses	1,18,61,196.14	1,07,44,867.81
Total	<u>1,18,61,196.14</u>	<u>1,07,44,867.81</u>

**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014**

Particulars	Figure as at 31st March, 2014 Rs.	Figure as at 31st March, 2013 Rs.
<b>26. OTHER EXPENSES</b>		
<b>(A) Manufacturing Expenses</b>		
Electric Power & Fuel	3,75,79,287.90	3,65,00,706.45
Consumable Stores Consumed	85,18,629.66	88,45,901.81
Freight & Cartage Local	24,021.00	27,870.00
Generator Repairing & Maintenance	1,78,743.82	1,74,044.76
Jobwork Paid	52,06,818.00	28,34,418.00
Lab.expenses	32,720.00	34,409.00
Labour Fooding & Welfare	4,78,127.00	5,23,199.00
Machinery Maintenance	48,09,590.95	52,33,585.72
Wages & Salary	2,26,57,691.38	2,04,83,379.70
Watch & Ward	17,34,247.00	13,69,932.00
Weight & Measurement	9,910.00	17,250.00
Workshop Maintenance	15,69,670.60	11,75,646.65
Total	8,27,99,457.31	7,72,20,343.09
<b>(B) Administrative Expenses</b>		
Audit Fee (Statutory)	65,000.00	65,000.00
Audit Fee (Internal)	3,41,371.00	3,30,000.00
Audit Fee (Stock)	15,000.00	0.00
Audit Fee (Vat)	5,000.00	5,000.00
Bank Charges	26,25,936.65	29,85,559.80
Board Meeting Expenses	1,25,221.00	3,09,500.00
Building Repair & Maintenance	4,77,703.23	2,53,821.78
Business Promotion	2,11,780.00	1,41,485.00
Car Running Expenses	5,84,261.61	5,31,411.75
Certification Fee	65,304.00	17,447.00
Computer Expenses	3,06,713.00	3,55,426.00
Conveyance	12,93,086.00	11,73,165.00
Cost Audit Fee	20,000.00	0.00
Demurage & Other Deduction	26,50,945.26	55,43,919.36
Donation	48,551.00	69,801.00
Festival And New Year Exps.	2,54,774.00	4,86,118.00
Guest House Exps.	4,82,393.00	4,62,681.00
Hire Charges On Vehicle	1,09,037.00	1,64,973.18
ISO (ISO-9002)Certificate Exps.	62,670.00	81,042.00
Inspection Charges	2,92,586.00	1,89,513.00
Insurance	5,81,712.28	4,44,104.72
Interest On Service tax / Excise / Tds	11,261.64	5,083.00
Internet Expenses	79,791.50	85,116.00
Legal Expenses	1,48,346.00	78,796.00
Licence Fee (Factory Act & Others)	38,349.00	28,450.00
Long Term Capital Loss	0.00	2,71,000.00
Loss On Sale Of Car	3,09,273.00	10,38,256.00
Membership Fee	1,18,292.80	55,118.00
Misc.expenses	1,12,978.52	69,845.20
News Paper & Periodicals	23,401.00	23,476.00

## THIRTY FOURTH ANNUAL REPORT

### NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	Figure as at 31st March, 2014 Rs.	Figure as at 31st March, 2013 Rs.
Office Maintenance	1,96,488.40	2,26,682.25
Pension Plan Premium To Key Person	0.00	2,00,000.00
Pooja Expenses	38,156.00	25,300.00
Postage & Stamp	2,79,840.00	2,83,118.00
Printing & Stationery	3,31,176.26	3,58,704.00
Professional Charges	2,77,519.00	2,56,364.00
Purchase Tax	3,812.00	0.00
Rates & Taxes	2,54,749.00	2,43,922.00
Registration & Filing Fee	1,41,070.00	59,039.00
Sales Tax Demand (F.Y. 2000-01 & 2001-02)	1,68,682.00	64,853.00
Sales Tax Form Fee	5,000.00	10,000.00
Share Connectivity/ Maint.charges	76,828.92	94,885.00
Share/ Stock Listing Fee	25,854.00	24,000.00
Sundry Balance W/Off	1,438.94	4,229.31
Telephone Expenses	6,08,562.88	7,08,588.74
Travelling Expenses	9,33,357.74	13,73,303.13
Travelling Expenses (Director)	11,47,399.03	9,61,868.74
Travelling Expenses (Foreign)	0.00	68,855.91
Vehicle Repair & Maintenance	4,50,230.00	4,03,347.00
Total	1,64,00,902.66	2,06,32,168.87
<b>(C) Payment To Director</b>		
Director's Remuneration	82,90,000.00	86,40,000.00
Contribution to National Pension Scheme A/C	1,80,000.00	0.00
Director's Sitting Fee	1,80,000.00	1,90,000.00
Foreign Travelling Allowance to Director	0.00	10,70,126.13
Incentive to Director	21,20,475.00	21,72,631.00
Leave Encashment To Director	6,90,833.00	7,20,000.00
Leave Travelling Concession to Director	1,81,445.00	1,05,242.50
Perquisites to Director	3,73,976.00	3,28,356.00
Total	1,20,16,729.00	1,32,26,355.63
<b>(C) Selling &amp; Distribution Exp.</b>		
Advertisement & Publication	6,51,376.00	9,92,941.00
Central Sales Tax Exps.	1,21,77,162.96	1,19,98,485.00
Commission	23,10,563.00	22,84,926.00
Freight & Cartage Outward	93,19,545.00	97,29,900.00
Freight & Insurance Export	0.00	85,208.00
Packing Material Consumed	47,75,910.16	72,01,933.84
Sample	55,931.00	37,759.00
Service Tax on Freight	1,30,422.00	1,42,121.00
Tender Fees	1,32,630.00	48,160.00
Vat Exps.	25,91,259.00	28,88,538.00
Total	3,21,44,799.12	3,54,09,971.84
Total (A+B+C+D)	14,33,61,888.09	14,64,88,839.43

**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014**

Particulars	Figure as at 31st March, 2014 Rs.	Figure as at 31st March, 2013 Rs.
<b>26.1 VALUE OF POWER, FURNACE OIL, DIESEL OIL, GAS, STORES AND PACKING MATERIAL CONSUMED</b>		
Power and Fuel:-		
Electric Power Used	2,04,52,852.00	1,75,74,701.00
PNG Gas Used	47,95,474.00	27,20,282.00
Furnace Oil Consumed	93,18,814.01	1,18,06,947.43
Diesel for Generator Consumed	30,12,147.89	43,98,776.02
Total	3,75,79,287.90	3,65,00,706.45
<b>(I) Furnace Oil Consumed</b>		
Opening Stock	4,93,191.36	6,44,946.29
Add : Purchase (Including Freight & Entry Tax)	93,65,607.00	1,16,55,192.50
Less : Closing Stock	5,39,984.35	4,93,191.36
Total	93,18,814.01	1,18,06,947.43
<b>(II) Diesel For Generator Consumed</b>		
Opening Stock	1,29,951.81	87,734.08
Add : Purchase (Including Freight & Entry Tax)	31,16,211.74	44,40,993.75
Less : Closing Stock	2,34,015.66	1,29,951.81
Total	30,12,147.89	43,98,776.02
<b>(III) Consumable Stores Consumed</b>		
Opening Stock	68,02,429.20	52,62,135.49
Add : Purchase	1,10,36,667.91	1,03,86,195.52
Less : Closing Stock	93,20,467.45	68,02,429.20
Total	85,18,629.66	88,45,901.81
<b>(IV) Packing Material Consumed</b>		
Opening Stock	5,70,040.51	4,47,500.00
Add : Purchase	45,51,274.33	73,24,474.35
Less: Closing Stock	3,45,404.68	5,70,040.51
Total	47,75,910.16	72,01,933.84

## THIRTY FOURTH ANNUAL REPORT

### NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	2013-14	2012-13
<b>26.2 PAYMENT TO STATUTORY AUDITORS:</b>		
Particulars	2013-14	2012-13
Audit Fee	Rs. 70,000.00	Rs. 70,000.00
Service Tax	8,652.00	8,652.00
Income Tax fee	Nil	Nil
Management Consultancy Fee	Nil	Nil
<b>26.3 EXPENDITURE IN FOREIGN CURRENCY:</b>		
	2013-14	2012-13
Advance for Plant & Machinery	Rs. –	Rs.39,05,225.00
Travelling Expenses (Foreign)	Rs. –	Rs. 68,855.91
Foreign Travelling Allowance	Rs. –	Rs.10,70,126.13
Pre-operative Exps. (Travelling exps.)	Rs. –	Rs. 3,30,116.00
Purchase of Plant & Machinery	Rs. 1,75,45,000.00	–
Freight & Insurance on export	Rs. –	Rs.85,208.00
<b>27. EARNING PER SHARE (EPS)</b>		
	2013-14	2012-13
N/P after tax available for share holder	Rs.1,68,70,144.64	Rs.2,00,49,510.72
Weighted average No. of equity share outstanding during the year	Nos. 39,38,511	Nos. 39,38,511
Basic/diluted earning per share	Rs.4.28	Rs.5.10
<b>28. EARNING IN FOREIGN CURRENCY:</b>		
	2013-14	2012-13
Export Sales	Rs. 34,54,382.00	Rs.1,00,30,706.00
<b>29. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND</b>		
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:		
	2013-14 (Final Dividend)	2012-13 (Final Dividend)
a) Number of Non Resident Shareholders	–	9
b) Number of Equity Shares held by them	–	1,300
c) (i) Amount of Dividend Paid (Gross) (Rs. in )	–	1,300.00
(ii) Tax Deducted at Source (Rs. in )	–	260.00

**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014**
**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	26,40,723.00	Cr. 4,69,940.00
Mr. Kapil Bhatia	—do—	—do—	25,25,000.00	Cr.3,64,044.13
Mr. Neeraj Bhatia	—do—	—do—	25,25,000.00	Cr.3,31,670.50
Smt. Sushma Bhatia	—do—	—do—	9,43,506.00	Cr. 1,89,000.00
Smt. Mamta Bhatia	—do—	—do—	15,60,000.00	Cr.3,61,610.00
Smt. Sonia Bhatia	—do—	—do—	9,75,000.00	NIL
Smt. Manju Bhatia	—do—	—do—	4,87,500.00	Cr. 1,11,250.00
M/s Frontier Alloy Steels Ltd	Associate Concern	Sales	3,30,09,360.00	Dr. 90,46,362.00
M/s Frontier Alloy Steels Ltd	Associate Concern	Jobwork Recd.	.67,446.00	NIL
—do—	—do—	Purchase Plant & Machinery	16,72,515.00	NIL
—do—	—do—	Redemption of Preference shares	8,00,000.00	NIL
—do—	—do—	Dividend Recd. on Preference shares	48,000.00	NIL
M/s Frontier Engineering Corporation	—do—	Purchase	32,32,265.00	NIL
—do—	—do—	Jobwork Paid	7,87,400.00	NIL
—do—	—do—	Jobwork Recd.	10,300.00	NIL
M/s Vishpa Rail Equipments Pvt. Ltd	—do—	Jobwork Paid	40,27,383.00	NIL
M/s Vishpa Rail Equipments Pvt. Ltd	—do—	Rent Recd.	60,000.00	NIL
M/s Vishpa Rail Equipments Pvt. Ltd.	—do—	Interest on Deposits	13,71,150.00	Cr.1,27,72,663.00
Mr. Neeraj Bhatia	Key Management Person	Unsecured Loan	27,00,000.00	Cr. 18,95,000.00
Mr. Neeraj Bhatia	Key Management Person	Interest on Deposits	2,39,227.00	Cr. 65,223.00

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

Remuneration :	2013-2014	2012-2013
Chairman & Managing Directors	18,00,000.00	18,00,000.00
Other Directors	64,90,000.00	68,40,000.00
<b>Incentives :</b>		
Chairman & Managing Directors	4,69,199.00	4,99,013.00
Other Directors	16,51,276.00	16,73,618.00
<b>Perquisites :</b>		
Chairman & Managing Directors	1,30,801.00	1,00,987.00
Other Directors	2,43,175.00	2,27,369.00
<b>Leave Travel Concession :</b>		
Chairman & Managing Directors	90,723.00	1,05,242.50
Other Directors	90,722.00	NIL
<b>Leave Travel Concession :</b>		
Chairman & Managing Directors	NIL	NIL
Other Directors	NIL	10,70,126.13
<b>Earn Leave :</b>		
Chairman & Managing Directors	1,50,000.00	1,50,000.00
Other Directors	5,40,833.00	5,70,000.00

## THIRTY FOURTH ANNUAL REPORT

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

	2013-14	2012-13
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.	2,59,796	2,29,883

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

Class of Goods	U/N	31.03.2014		31.03.2013	
		Qty.	Amount	Qty.	Amount
Coil Springs	Nos.	2,68,900	40,75,52,088.46	2,24,080	41,98,13,336.00
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	31.03.2014		31.03.2013	
	Qty. (Mt.)	Amount (Rs.)	Qty. (Mt.)	Value (Rs.)
a) Indigenous Springs Steel Round Billet & Bar	3,446.745	19,77,63,021.31	3,339.071	20,76,09,967.49
b) Imported	Nil	Nil	Nil	Nil

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

	2013-14	2012-13
Raw Materials imported	Nil	Nil
Spare Parts & Sets (Indigenous)	100%	100%
Raw Materials Indigenous	100%	100%

**vii. Quantitative details of finished goods**

Particulars	2013-14 Nos.	2012-13 Nos.
Opening Stock (in Nos.)	17,942	12,139
Closing Stock (in Nos.)	8,838	17,942
Turnover	2,68,900	2,24,080

**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 : 16.05.2014

For and on behalf of Board of Directors

K. L. BHATIA  
*Chairman & Managing Director*

KAPIL BHATIA  
*Managing Director*

DHRUV BHASIN  
*Company Secretary*

NEERAJ BHATIA  
*CFO*

SANJAY NIGAM  
*Manager Accounts*

## THIRTY FOURTH ANNUAL REPORT

### 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](mailto: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](http://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](mailto: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,

**Dhruv Bhasin**

Company Secretary

E-mail Registration Form			
Folio No.:		DP-ID :	Client ID :
Name of the Registered Holder (1 <sup>st</sup> ) :			
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

CIN : L17119UP1981PLC005212

Email : c.s@frontiersprings.co.in • Tel. : 0512-2691207 • Fax : 0512-2691209

## ATTENDANCE SLIP

### 34th ANNUAL GENERAL MEETING

Please complete this attendance slip and hand it over at the entrance of meeting hall

DP-ID No.	Name & Address of Registered Shareholders
Client ID No.	
Regd. Folio No.	
No. of Shares Held	

\* Applicable for shareholding in electronic form.

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the 34th Annual General Meeting of the Company held on Tuesday, September 30, 2014 at 12.30 p.m at the Registered Office of the Company.

I hereby give my consent to receive the Annual Reports and Accounts and other documents permissible to be sent through electronic mode, on my e-mail ID- instead of physical form.

--

\_\_\_\_\_  
Signature of Shareholder/Proxy

**NOTE: 1.** Members/Proxy holders are requested to bring this Attendance Slip duly filled in and signed with them when they come to the meeting. No Attendance Slip will be issued at the venue of the meeting.

Cut Here.....



# FRONTIER SPRINGS LIMITED

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

CIN : L17119UP1981PLC005212

Email : c.s@frontiersprings.co.in • Tel. : 0512-2691207 • Fax : 0512-2691209

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s): \_\_\_\_\_

Registered address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Folio No/ Client Id : \_\_\_\_\_

DP ID : \_\_\_\_\_

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_

or failing him/her

2. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_

or failing him/her

3. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_

## THIRTY FOURTH ANNUAL REPORT

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual general meeting of the company, to be held on the 30th day of September, 2014 At 12.30 p.m. at E-14, Panki Industrial Area, Site-1 and at any adjournment thereof in respect of such resolutions as are indicated below:

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Re. 1/-  
Revenue  
Stamp

### Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

**SPEED POST/REGISTERED POST/COURIER**

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

SOLAR PRESS  
KANPUR ✆ 2534799