



# Frontier Springs Ltd.

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CORPORATE OFFICE : E-14, PANKI INDUSTRIAL AREA, SITE-I, KANPUR - 208 022 U.P. (INDIA)  
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CIN No. : L17119UP1981PLC005212

October 1, 2018

To  
*Bombay Stock Exchange Limited  
Department of Corporate Affairs  
Floor 25, PJ Towers, Dalal Street  
Mumbai-400001  
Script Code: 522195*

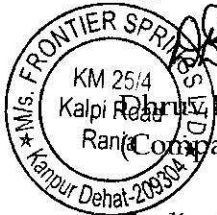
**Subject: Annual Report for F.Y 2017-18**

Dear Sir/Madam

In compliance to Regulation 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find attached herewith the Annual Report of the Company for the financial year 2017-18.

Kindly take the above on record and oblige.

Thanking You  
Yours Faithfully,  
For Frontier Springs Limited

  
Dhruv Bhasin  
(Company Secretary)

Encl's: As above



SERVING THE NATION SINCE 1980



Frontier Springs Ltd.



**38<sup>th</sup>**  
*Annual Report*  
2017-18

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

# FRONTIER SPRINGS LIMITED

## ANNUAL REPORT 2017-2018

### BOARD OF DIRECTORS

Shri KUNDAN LAL BHATIA, *Chairman & Managing Director*  
Shri KAPIL BHATIA, *Managing Director*  
Shri NEERAJ BHATIA, *Whole Time Director*  
Smt. MAMTA BHATIA, *Whole Time Director*  
Smt. MANJU BHATIA, *Whole Time Director*  
Shri SARABJIT SINGH, *Independent Director*  
Shri R.N. TRIVEDI, *Independent Director*  
Shri YASHPAL, *Independent Director*  
Shri R. K. BHATIA, *Independent Director*  
Shri NIMESH MUKERJI, *Independent Director*

### COMPANY SECRETARY & COMPLIANCE OFFICER

Shri DHRUV BHASIN

### AUDITORS

M/s. SANJEEVANI RAIZADA & Co.  
*Chartered Accountants*  
OFF No. 229, 2nd FLOOR,  
63/2, CITY CENTRE,  
THE MALL,  
KANPUR - 208 004

### BANKERS

STATE BANK OF INDIA

### REGISTRAR AND SHARE TRANSFER AGENT

M/s. ALANKIT ASSIGNMENT LIMITED  
ALANKIT HOUSE,  
1E/13, JHANDEWALAN EXTENSION  
NEW DELHI-110 020

### REGISTERED OFFICE

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

### CORPORATE OFFICE

E-14, PANKI INDUSTRIAL AREA,  
SITE-1, KANPUR-208 022 (U.P.)

### PLANTS

- i) KM 25/4, KALPI ROAD, RANIA,  
KANPUR DEHAT - 209 304 (U.P.)  
(SPRINGS & FORGING UNIT)
- ii) RAMPUR GHAT ROAD, VILLAGE KUNJA,  
TEHSIL POANTA SAHIB, DISTT. SIRMOUR  
H. P.  
(SPRINGS & ROOFING UNIT)

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## THIRTY EIGHTH ANNUAL REPORT

### DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty Eighth Annual Report of the Company along with the Audited Statement of Accounts for the year ended 31st March, 2018. The summarized financial results for the year as compared to the previous year are as under:

#### FINANCIAL RESULTS

Particulars	(Rs. in Lacs)	
	2017-18	2016-17
Income from Operations/ Turnover	<b>6003.65</b>	4909.40
Profit Before Interest, Depreciation and Tax	<b>875.49</b>	540.84
Interest	<b>132.26</b>	142.60
Depreciation	<b>193.79</b>	165.92
Profit/(Loss) Before Tax	<b>549.44</b>	232.32
Income Tax		
Current year Tax	<b>114.04</b>	48.28
Deferred Tax	<b>79.08</b>	(29.53)
Net Profit	<b>356.32</b>	213.57
Surplus B/F from P.Y.	<b>1798.49</b>	1584.92
Transfer to General Reserve	<b>0.00</b>	0.00
Balance available for appropriation	<b>2154.80</b>	1798.49
Surplus carried to Balance sheet	<b>2575.08</b>	2218.77

#### REVIEW OF OPERATIONS

Your Company has prepared the financial statements for the year ended March 31, 2018 for the first time in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. Previous year figures have been re-grouped/re-classified wherever necessary and have been re-stated as per Ind AS.

The operation of the company during the financial year under review improved with turnover of Rs. 6003.65 Lacs as against Rs 4909.40 Lacs in preceding year. The net profit during the year was higher at Rs. 356.32 Lacs as against Rs 213.57 Lacs in the preceding year. The improvement in the turnover and profitability had been mainly on account of growth in demand, improvement in the operational efficiencies and cost cutting measures.

The performance of the company during the current financial year has further improved and barring unforeseen circumstances, your Directors expect your com-

pany to turn out even better results during the current year as well.

#### DIVIDEND

To conserve resources for the expansion and to consolidate the financial position of the company, your Directors considered it prudent not to recommend any dividend for the year.

#### EXPANSION

##### Forging Division

Your company is continuously expanding its product base. Approval of spindle rod, Anti roll bar, Anti roll bar bracket & Anti roll bar fork have been obtained from Rail Coach Factory; Kapurthala The company is further expanding Forging unit at Rania and is in process to install new CNC machines which would increase efficiency, quality and help in cost-cutting. Your Company has installed solar plant of 100 KVA promoting measures of Go-Green Initiative and in turn will also save some money for the company.

##### Coil springs

Your company has already received orders for manufacturing of springs for Linke-Hofmann Busch(LHB) coaches which were being imported till date by Indian Railways which is reflective in the turnover and profitability of the company. The orders in the pipeline are high in number; considering that all the springs of the existing coaches have to be replaced with new ones. Further your company has also received orders for Springs of T18 train, the first semi high speed train which would run at a speed of 160 km/hr. The management is optimistic that in the years to come; the company would reach to new heights. Your company has also got orders for supply of loco-springs for heavy haul locomotives WAG-9,WAG-9M,WAP-7 &WAP-5 from CLW,DLW & DMW. The execution of such kind of orders are expected to increase the turnover and profitability manifold.

#### SUBSIDIARY COMPANY / ASSOCIATE / JOINT VENTURE COMPANY

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

#### DIRECTORS

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company Mrs. Mamta Bhatia (DIN: 003480368) , Director of the Company retires from the Board by rotation, at the ensuing Annual General Meeting of the Company and being eligible she has offered herself for re-appointment.

### KEY MANAGERIAL PERSONNEL

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

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

### DECLARATION FROM INDEPENDENT DIRECTORS

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

### MEETINGS OF THE BOARD

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

### BOARD EVALUATION

Pursuant to Section 134(3)(p) and other applicable provisions, if any, of the Companies Act, 2013 and Regulation 17(10) and other applicable regulations, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015('Listing Regulations'), the performance of the Board as a whole and individual directors was evaluated by the Board after seeking relevant inputs from all the Directors. The Nomination and Remuneration Committee (NRC) reviewed the performance of the Individual Directors.

In a separate meeting of Independent Directors held on 14th February, 2018, performance of Non-Independent Directors, the Chairman of the Company and the performance of the Board as a whole was evaluated taking into account the views of Executive and Non-Executive Directors.

The performance of the Board as whole and of directors individually was found to be satisfactory.

### COMPANYS' POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

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

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

### AUDITORS AND AUDITORS REPORT

#### I. STATUTORY AUDITORS

M/s. Sanjeevani Raizada & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company at the 37th Annual General Meeting of the Company held on 28.09.2017 who shall hold office till conclusion of the 42nd Annual General Meeting in accordance with the provisions of Companies Act, 2013. However, their appointment was subject to ratification by the members at every Annual General Meeting to be held thereafter during their tenure of office. The Auditors have confirmed their eligibility and qualification under Section 141 of the Companies Act, 2013 and therefore, their ratification for appointment as Statutory Auditors for the year 2018-19 is being sought from the Members of the Company at the ensuing Annual General Meeting.

The Auditor's Report for the financial year 2017-18 does not contain any qualification, reservation or adverse remark.

#### II. COST AUDITORS

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

#### III. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s P. Manghwani & Associates, Practicing Company Secretary as Secretarial Auditor of the Company for the year 2017-18. The Secretarial Audit Report for the year ended 31st March, 2018 is annexed herewith as Annexure-D to this report.

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

#### IV. INTERNAL AUDITORS

Pursuant to provisions of Section 138 read with Rule

## THIRTY EIGHTH ANNUAL REPORT

13 of Companies (Accounts) Rules 2014, your Company engaged the services of M/s J Chandra & Associates, Chartered Accountants, Kanpur, to conduct the Internal Audit of the functions and activities of the Company for the Financial Year 2017-18. The Internal Audit Report is placed before the Audit Committee of the Company, at regular intervals.

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

### CORPORATE GOVERNANCE

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

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

### STATUTORY INFORMATION

#### PARTICULARS OF EMPLOYEES

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

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

Information as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo for the financial year 2017-18 is annexed as Annexure 'B' which forms part of this Report.

### DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013 the Board of Directors, to the best of their knowledge and ability in respect of the financial year ended on 31st March, 2018 confirm that:

- i) in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the directors had prepared the Annual Accounts of the Company on a going concern basis.
- v) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### FIXED DEPOSITS

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

However, in terms of Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014, the outstanding amount of unsecured loan from directors was Rs 133.69 lacs which was taken in the preceding years. The Company did not accept any unsecured loans from Directors during the year.

### LOANS, GUARANTEES AND INVESTMENTS

The Company has not given any loans, directly or indirectly, to any person or other body corporate or given any guarantee or provided any security in connection with a loan to any other body corporate or person.

### EXTRACT OF ANNUAL RETURN

The extracts of the Annual Return in Form MGT-9

as required under Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management & Administration) Rules 2014 is included in this report as “Annexure-C” and forms an integral part of this Report.

#### **LISTING**

The Equity Shares of Company continued to be listed at BSE Limited and the Annual Listing has been paid up-to date.

#### **INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY**

The Company has in place internal financial control systems, commensurate with the size and complexity of its operations, to ensure proper recording of financial and monitoring of operational effectiveness and compliance of various regulatory and statutory requirements. The internal auditor monitors and evaluates the efficacy and adequacy of internal control systems in the company. Based on the report of the internal auditor, respective departments undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations, if any and corrective actions thereon are presented to the Audit Committee of the Board.

#### **COMPLIANCE WITH SECRETERIAL STANDARDS**

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

#### **AUDIT COMMITTEE, VIGIL MECHANISM & RISK MANAGEMENT**

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

of the Company to take such disciplinary or corrective action as he may deem fit.

#### **RISK MANAGEMENT**

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

#### **INSIDER TRADING**

In compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a Code of Conduct to Regulate, Monitor and Report Trading by Insiders ('Insider Trading Code') and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Code of Fair Disclosure').

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

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

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

No material changes and commitments affecting the financial position of the Company occurred from the end of the financial year 2017-18 till the date of this Report. Further, there was no change in the nature of business of the Company.

## THIRTY EIGHTH ANNUAL REPORT

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

During the year under review, there were no significant and material orders passed by the Regulators, or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

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

The details of material contracts / arrangements / transactions at arm's length basis for the year ended 31st March, 2018 is annexed hereto and form part of this Report as Annexure E.

Your Directors draw attention of the Members to Note No.33 to the Financial Statement which sets out all related party disclosures.

### **ACKNOWLEDGEMENTS**

Your Directors take this opportunity to place on record appreciation for overwhelming co-operation and assistance received from Company's Bankers, Government Authorities and esteemed customers and their continued patronage and support during the year.

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

For and on behalf of the Board

Place : Kanpur  
Date : 14th August, 2018

KUNDAN LAL BHATIA  
*Chairman Cum Managing Director*  
DIN No. 00581799

KAPIL BHATIA  
*Managing Director*  
DIN No. 00582337



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE & DEVELOPMENTS

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

### OPPORTUNITIES & THREATS

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

### PRODUCTWISE PERFORMANCE

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

### RISKS AND CONCERNS

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

Currently, the Company perceives the following main business risks:

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

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

### OUTLOOK

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

### INTERNAL CONTROL SYSTEM AND ADEQUACY

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

### HUMAN RESOURCE

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

- It is engaged in providing continuous training and all round exposure to its people.
- It is inviting suggestions from all the employees on regular basis and is also engaged in obtaining feed back in a meaningful way from time to time.
- It is ensuring proper empowerment of employees to foster a sense of ownership among them.
- In brief, it is providing an opportunity to all employees to utilize their full potential and grow in the Organization.

**REPORT ON CORPORATE GOVERNANCE**

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

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

**2. BOARD OF DIRECTORS:**

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

As on 31st March, 2018, the Board of Frontier Springs Limited consisted of three Whole Time Directors and five Non-Executive Directors all of whom are Independent Directors and two Woman Directors. The composition of the Board and other relevant details relating to Directors during the Financial Year 2017-18 are as under:

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

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

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

**Re-appointments:**

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

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

**Profile of the Directors being re-appointed:**

Mrs. Mamta Bhatia aged about 52 years graduated from the University of Allahabad, was appointed as Whole Time Director of the Company w.e.f. 14/05/2011. Thereafter; she did her Masters of Business Administration from IGNOU. She has a optimistic vision which has really brought about a marked change in the overall administration and financial controls of the company. She has also contributed in improving the marketing strategies. Mrs. Mamta Bhatia holds 38038 equity shares of the Company.

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

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

**B. Details of Board Meetings held during the year 2017-18:**

During the year 2017-18, Four Board Meetings were held. The details of meeting are as under:-

S. No.	Date of Board Meeting	No. of Members Present
1.	27th May, 2017	9
2.	11th August, 2017	10
3.	13th November, 2017	9
4.	14th February, 2018	10

**Information placed before the Board:**

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

**C. Terms and conditions of appointment of Independent Directors**

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

**D. Familiarisation programmes for board members**

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

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

**E. Separate Meeting of the Independent Directors**

During the year ended 31st March, 2018 one Independent Directors Meeting was held on 14.02.2018. At the meeting, the Independent Directors inter alia :

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

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

**F. Code of Conduct**

In compliance with Regulation 17(5) of the Listing Regulations, the Company's Board has laid down a code

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of conduct for all Board Members and Senior Management Personnel of the Company. All of them have affirmed compliance with the Code of Conduct. A declaration to this effect, signed by Shri. Kundan Lal Bhatia, Chairmam Cum Managing Director of the Company is enclosed at the end of this report.

### 3. AUDIT COMMITTEE:

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

#### A. AUDIT COMMITTEE:

The Company has an Audit Committee constituted in accordance with the Corporate Governance Requirements. As on 31st March, 2018 the Audit Committee consisted of Directors namely Mr. Sarabjit Singh, Chartered Accountant as Chairman and Mr. Yashpal, Mr. Nimesh Mukerji, Mr. R.N. Trivedi and Dr. R.K. Bhatia as members. The Committee's constitution and terms of reference are in compliance with provisions of Section 177 the Companies Act, 2013 read with Regulation 18(3) read with Part C of Schedule II to the Listing Regulations. Four Audit Committee meetings were held during the year 2017-18. The details of the meetings are as under:-

S. No.	Date	No. of members present
1.	27th May, 2017	4
2.	11th August, 2017	5
3.	13th November, 2017	4
4.	14th February, 2018	5

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

#### B. NOMINATION AND REMUNERATION COMMITTEE:

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

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

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

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

#### C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

The Committee's constitution and terms of reference are in compliance with Section 178 of the Companies

Act, 2013 read with Regulation 20 of Listing Regulations Guidelines as amended from time to time. During the year 2017-18, four Committee Meetings were held. Details of the meetings are as under:

S. No.	Date	No. of members present
1.	27th May, 2017	4
2.	11th August, 2017	3
3.	13th November, 2017	4
4.	14th February, 2018	5

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

During the year 2017-18, all the complaints received by the company and / or registrar of the company were resolved to the satisfaction of complainants and there was no pending complaint.

#### 4. GENERAL BODY MEETINGS:

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

<b>2016-17</b>	
<b>Date and Time</b> :	28th September, 2017 at 12:30 P.M
<b>Venue</b> :	Km 25/4, Kalpi Road, Rania, Kanpur Dehat-209304
<b>Special Resolution</b> :	<ol style="list-style-type: none"> <li>1. Revision of Remuneration of Mr. Kapil Bhatia, Managing Director.</li> <li>2. Revision of Remuneration of Mr. Neeraj Bhatia, Whole Time Director.</li> <li>3. Revision of Remuneration of Smt. Mamta Bhatia, Whole Time Director.</li> <li>4. Revision of Remuneration of Smt. Manju Bhatia, Whole Time Director.</li> <li>5. To adopt new ser Articles of Association.</li> </ol>
<b>2015-16</b>	
<b>Date and Time</b> :	30th September, 2016 at 12:30 P.M
<b>Venue</b> :	Km 25/4, Kalpi Road, Rania, Kanpur Dehat-209304
<b>Special Resolution</b> :	To consider approval of contracts/arrangements with related parties.
<b>2014-15</b>	
<b>Date and Time</b> :	29th September, 2015 at 12:30 P.M
<b>Venue</b> :	Km 25/4, Kalpi Road, Rania, Kanpur Dehat-209304
<b>Special Resolution</b> :	<ol style="list-style-type: none"> <li>1. Re-appointment of Shri K.L. Bhatia as Chairman cum Managing Director.</li> <li>2. Re-appointment of Shri Kapil Bhatia as Managing Director.</li> <li>3. Re-appointment of Shri Neeraj Bhatia as Whole Time Director.</li> <li>4. Re-appointment of Smt. Mamta Bhatia as Whole Time Director.</li> <li>5. Approval of contracts/arrangements with related parties.</li> <li>6. Approval for acceptance of Deposits from members.</li> </ol>

#### 5. MEANS OF COMMUNICATION:

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

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### 9. GENERAL SHAREHOLDER'S INFORMATION:

- (i) **Annual General Meeting** : Date : 26th September, 2018  
 Time : 12:30 P.M  
 Venue : Km 25/4, Kalpi Road,  
 Rania, Kanpur Dehat 209 304.

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

Particulars of Quarter	On or before
First Quarter Results	14.08.2018
Second Quarter Results	14.11.2018
Third Quarter Results	14.02.2019
Fourth Quarter & Annual Results	30.05.2019

- (iii) **Date of Book Closure** : 20th September, 2018 to 26th September, 2018  
 (Both days inclusive).

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

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

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

- (vii) **Stock Market Price Data at Bombay Stock Exchange (BSE) for the year 2017-18 :**

Month	High (₹)	Low (₹)	Close	No.of shares traded
April 2017	65.00	49.50	57.55	1,74,875
May 2017	68.00	46.10	66.90	1,51,399
June 2017	74.20	59.00	62.95	98,691
July 2017	74.90	60.40	72.00	75,771
August 2017	113.00	69.00	109.85	3,02,608
September 2017	114.95	95.00	103.75	1,77,694
October 2017	212.90	111.10	187.35	6,57,986
November 2017	236.95	175.00	230.25	1,67,745
December 2017	259.00	185.00	241.30	1,42,387
January 2018	285.00	207.20	214.65	1,35,840
February 2018	229.40	180.00	181.55	1,45,976
March 2018	193.00	145.10	162.50	1,21,873

- (viii) **Registrar and Share Transfer Agent (RTA) :** Alankit Assignments Ltd.  
 Alankit Heights  
 1E/13, Jhandewalan Extension, New Delhi-110055  
 Telephone No. : 011-42541958; 011-42541968  
 Email : lalitp@alankit.com

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

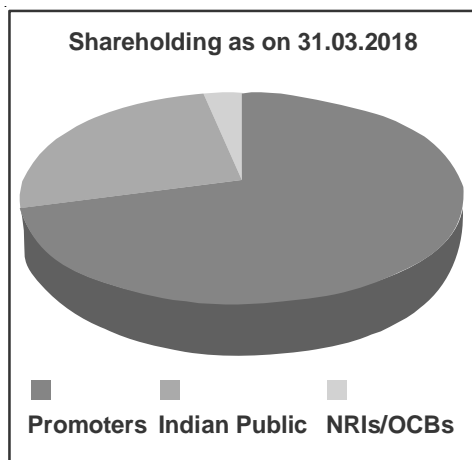
The shares received for transfer in physical form are processed by RTA and the Share Certificates are returned after authorisation by the Company, within a period of fifteen days from the date of receipt, subject

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

**(x) Distribution of Shareholding as on 31st March, 2018**

Shares holding Number of Shares		No. of Shareholders					Shareholding				
Rs.	Rs.	Physical Number	NSDL Number	CSDL Number	Total Number	%	Physical (in Rs.)	NSDL (in Rs.)	CDSL (in Rs.)	Total (in Rs.)	%
1 to	100	1782	548	220	2550	58.392	1,73,792	45,236	14,409	<b>2,33,437</b>	5.927
1 to	100	1725	919	650	3294	59.793	1,67,993	62,303	35,183	<b>2,65,479</b>	6.741
101 to	500	787	578	380	1745	31.675	2,09,107	1,58,558	1,01,918	<b>4,69,583</b>	11.923
501 to	1000	57	115	84	256	4.647	50,230	90,013	61,445	<b>2,01,688</b>	5.121
1001 to	5000	28	86	55	169	3.068	54,440	1,78,861	1,02,042	<b>3,35,343</b>	8.514
5001 to	10000	1	11	4	16	0.29	8,100	74,135	28,747	<b>1,10,982</b>	2.818
10001 to	20000	0	5	1	6	0.109	0	69,342	13,607	<b>82,949</b>	2.106
20001 to	30000	1	4	1	6	0.109	25,000	1,03,792	28,061	<b>1,56,853</b>	3.983
30001 to	40000	0	2	2	4	0.073	0	69,318	67,662	<b>1,36,980</b>	3.478
40001 to	50000	0	1	1	2	0.036	0	41,560	41,075	<b>82,635</b>	2.098
50001 to	100000	1	4	1	6	0.109	76,600	3,30,626	82,482	<b>4,89,708</b>	12.434
100001 to	500000	0	4	0	4	0.073	0	7,40,181	0	<b>7,40,181</b>	18.793
500001 to	ABOVE	0	1	0	1	0.018	0	8,66,130	0	<b>8,66,130</b>	21.991
<b>T O T A L</b>		2600	1730	1179	5509	100	5,91,470	27,84,819	5,62,222	<b>39,38,511</b>	100

**(xi) Shareholding Pattern as on 31st March, 2018 :**



Category	No. of shares held	% of Share holding
Promoters	20,38,565	51.76
Mutual Funds and UTI	-	-
Financial Institutions, Banks and Insurance Companies	400	.01
Private Corporate Bodies	2,86,827	7.28
FII's	-	-
Indian Public	15,27,356	38.78
NRIs/OCBs	85,363	2.17
<b>TOTAL</b>	<b>39,38,511</b>	<b>100%</b>

**(xii) Dematerialization of shares:**

The Company's shares are under demat mode as well. The ISIN of the Company is INE572D01014. As on 31st March 2018, 84.98% equity shares of the Company are in dematerialized mode.

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

**(xiv) Registered Office & Works:**

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

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

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

**(xv) Address for Investor Correspondence:**

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

**(xvi) Corporate Identification Number** : L17119UP1981PLC005212

**(xvii) E-mail for investors:**

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

**(xviii) Nomination Facility**

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

### 7. DISCLOSURES:

**a) Related Party Transactions:**

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

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

None

**c) Adoption of Mandatory and Non Mandatory Requirements:**

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

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

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



## 8. CEO AND CFO CERTIFICATION

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

## DECLARATION

Pursuant to Regulation 26(3) of Listing Regulations, I, Kundan Lal Bhatia, Chairman Cum Managing Director of Frontier Springs Limited, declare that all Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct for the financial year 2017-18.

Place : Kanpur  
Date : August 14, 2018

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

## Certificate on Corporate Governance

To  
The Members of  
Frontier Springs Limited

1. This certificate is issued in accordance with the terms of our engagement confirmation with Frontier Springs Limited ('the Company') dated 03rd April, 2018.
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended 31st March, 2018, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

### Management's Responsibility

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

### Auditor's Responsibility

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

### Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31st March 2018.  
We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

### Restrictions on use

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

### For P Manghwani & Associates

Priyanka Manghwani

Proprietor

M.No.- 23692

C.O.P- 12498

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

**A. Conservation of Energy**

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

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

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

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

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

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

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

**(iii) The capital investment on energy conservation equipments.**

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

**B. Conservation of Energy**

**(i) The efforts made towards technology absorption**

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

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

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

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

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

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

(a) The details of technology imported.

(b) The year of import

(c) Whether the technology has been fully absorbed.

(d) If not fully absorbed, areas where absorption has not taken place.

And the reasons thereon

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

**(iv) The Expenditure incurred in Research and Development.**

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

**C. Foreign Exchange Earnings and Outgo**

(In INR)

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

**EXTRACT OF ANNUAL RETURN**
**(As on the financial year ended on 31st March, 2018)**
**[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies Management and Administration) Rules, 2014]**
**I. REGISTRATION AND OTHER DETAILS:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

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

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### IV. SHARE HOLDING PATTERN (Equity Share Capital breakup as percentage of Total Equity)

#### i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	1992863	NIL	1992863	50.6	2038565	NIL	2038565	51.76	1.16
(b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (A) (1)</b>	1992863	NIL	1992863	50.6	2038565	NIL	2038565	51.76	1.16
<b>(2) Foreign</b>									
(a) NRIs									
Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Other									
Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (A) (2)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total Shareholding of Promoter (A)= (A) (1)+(A) (2)</b>	1992863	NIL	1992863	50.6	2038565	NIL	2038565	51.76	1.16
<b>(B) Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Banks/FI	400	Nil	400	.01	400	Nil	400	.01	Nil
(c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Venture Capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(i) Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (B)(1)</b>	400	Nil	400	.01	400	Nil	400	.01	Nil
<b>(2) Non- Institutions</b>									
<b>(a) Bodies Corp</b>									
i. Indian	276923	84100	361023	9.17	203627	83200	286827	7.28	-1.89
ii. Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>(b) individuals</b>									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	748532	537385	1285917	32.65	799903	478170	1278073	32.45	-0.20

ii. Individual shareholders holding nominal share capital in excess of 1 lakh	510723	25000	535723	13.60	222584	25000	247584	6.29	-7.31
(c) Others (Specify)	6710	5100	11810	.30	41181	45881	87062	2.21	1.91
<b>Others (Specify)</b>									
<b>Sub-Total (B)(2)</b>	<b>1542888</b>	<b>651985</b>	<b>2194873</b>	<b>55.72</b>	<b>1267295</b>	<b>632251</b>	<b>1899546</b>	<b>48.24</b>	<b>-7.48</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B) (2)</b>	<b>1536578</b>	<b>646485</b>	<b>2183063</b>	<b>55.73</b>	<b>1314363</b>	<b>632251</b>	<b>1899546</b>	<b>48.24</b>	<b>-7.49</b>
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	<b>3286526</b>	<b>651985</b>	<b>3938511</b>	<b>100</b>	<b>3306260</b>	<b>632251</b>	<b>3938511</b>	<b>100</b>	<b>-</b>

**(ii) Shareholding of Promoters:**

S. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Shri K.L Bhatia	332648	8.45%	0.00%	326040	8.28%	0.00%	0.17%
2.	K.L Bhatia HUF	41075	1.04%	0.00%	41075	1.04%	0.00%	0.00%
3.	Shri Puran Chand Bhatia	866130	21.99%	0.00%	975832	24.78%	0.00%	2.79%
4.	Smt. Kamla Bhatia	59127	1.50%	0.00%	59127	1.50%	0.00%	0.00%
5.	Shri Neeraj Bhatia	124365	3.16%	0.00%	124365	3.16%	0.00%	0.00%
6.	Smt. Shyama Bhatia	90702	2.30%	0.00%	90702	2.30%	0.00%	0.00%
7.	Shri Chandan Bhatia	84597	2.15%	0.00%	84957	2.15%	0.00%	0.00%
8.	Shri Mannu Bhatia	95280	2.42%	0.00%	31280	0.79%	0.00%	1.63%
9.	Shri Kapil Bhatia	180074	4.57%	0.00%	180074	4.57%	0.00%	0.00%
10.	Smt. Manju Bhatia	20380	.52%	0.00%	20380	.52%	0.00%	0.00%
11.	Smt Priya Bhatia	16040	.41%	0.00%	16040	.41%	0.00%	0.00%
12.	Smt Preeti Bhatia	14340	.36%	0.00%	14340	.36%	0.00%	0.00%
13.	P C Bhatia HUF	30067	.76%	0.00%	36675	.76%	0.93%	0.17%
14.	Smt. Mamta Bhatia	38038	.97%	0.00%	38038	.97%	0.00%	0.00%
	<b>TOTAL</b>	<b>1992863</b>	<b>50.60%</b>	<b>0.00%</b>	<b>2038925</b>	<b>51.76%</b>	<b>0.00%</b>	<b>0.00%</b>

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

S. No.	Shareholders Name	Shareholding at the beginning of the year			Cumulative Shareholding during the year			% of Change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to Total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to Total Shares	
1.	Shri Kundan Lal Bhatia	3,32,648	8.45%	0.00%	3,26,040	8.28%	0.00%	0.17%
2.	Shri Puran Chand Bhatia	8,66,130	21.99%	0.00%	9,75,832	24.78%	0.00%	2.79%
3.	Shri Mannu Bhatia	95,280	2.42%	0.00%	31,280	0.79%	0.00%	1.63%
4.	Puran Chand Bhatia HUF	30,067	.76%	0.00%	36,675	.76%	0.93%	0.17%

**(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on 31st March, 2018 :**

S. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Ashari Properties & Finances Ltd				
	At the beginning of the Year	76600	1.94 %	76600	1.94 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	76600	1.94 %	76600	1.94 %
2.	Sandeep Tandon				
	At the beginning of the Year	25000	0.63 %	25000	0.63 %
	Bought during the Year	0	0.00 %	0.00 %	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0.00 %	0.00 %
	At the end of the Year	25000	0.63 %	25000	0.63 %
3.	Kalpana Prakash Pandey				
	At the beginning of the Year	28912	0.73 %	28912	0.73 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	28912	0.73 %	28912	0.73 %
4.	Vishpa Rail Equipments Pvt.Ltd				
	At the beginning of the Year	127187	3.23%	127187	3.23%
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	127187	3.23%	127187	3.23%

S. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5.	Sudhir Laxman Nayak				
	At the beginning of the Year	17004	0.43 %	17004	0.43 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	17004	0.43 %	17004	0.43 %
6.	Sangeetha S				
	At the beginning of the Year	41560	1.06 %	41560	1.06 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	1090	0.27 %
	At the end of the Year	41560	1.06 %	41560	1.06 %
7.	AGR Investments Ltd.				
	At the beginning of the Year	24500	0.62 %	24500	0.62 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	24500	0.62 %	24500	0.62 %
8.	Dheeraj Kumar Lohia				
	At the beginning of the Year	82482	2.09 %	82482	2.09 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	82482	2.09 %	82482	2.09 %
9.	Ganesh Babu Panduranga				
	At the beginning of the Year	30000	0.76 %	30000	0.76 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	30000	0.76 %	30000	0.76 %
10.	Atul Dinkarrey Raval				
	At the beginning of the Year	0	0.00 %	28061	0.71 %
	Bought during the Year	0	0.00 %	28061	0.71 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	61090	1.55 %	28061	0.71 %

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**(v) Shareholding of Directors and Key Managerial Personnel as on 31st March, 2018 :**

S. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Mr. K. L. Bhatia				
	At the beginning of the Year	332648	8.45 %	332648	8.45 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	332648	8.45 %	332648	8.45 %
2.	Mr. Kapil Bhatia (Managing Director)				
	At the beginning of the Year	180074	4.57 %	180074	4.57 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	180074	4.57 %	180074	4.57 %
3.	Mr. Neeraj Bhatia (CFO)				
	At the beginning of the Year	124365	3.16 %	124365	3.16 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	124365	3.16 %	124365	3.16 %
4.	Mrs. Mamta Bhatia				
	At the beginning of the Year	38038	0.97 %	38038	0.97 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	38038	0.97 %	38038	0.97 %
5.	Mrs. Manju Bhatia				
	At the beginning of the Year	20380	0.52 %	20380	0.52 %
	Bought during the Year	0	0.00%	0	0.00%
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	20380	0.52 %	20380	0.52 %
6.	Mr. Nimesh Mukherji				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %
7.	Mr. Yashpal				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %
8.	Mr. R. N. Trivedi				
	At the beginning of the Year	0	0.00%	0	0.00%
	Bought during the Year	0	0.00%	0	0.00%
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00%	0	0.00%



S. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Comulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
9.	Mr. R. K. Bhatia				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %
10.	Mr. Dhruv Bhasin (Company Secretary)				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %
11.	Mr. Sarabjit Singh				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.0%

#### V. INDEBTEDNESS

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

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,026.73	132.00	147.25	1,076.39
ii) Interest due but not paid	4.79	3.22	7.25	8.73
iii) Interest accrued but not due	–	–	–	–
<b>Total (i+ii+iii)</b>	<b>1,031.52</b>	<b>135.22</b>	<b>154.52</b>	<b>1,085.12</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	101.08	160.00	–	148.99
* Reduction	(217.64)	(116.78)	(24.12)	–
Net Change	(116.56)	43.22	(24.12)	148.99
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	914.96	178.44	130.04	989.20
ii) Interest due but not paid	0.97	4.87	3.29	0.47
iii) Interest accrued but not due	–	–	–	–
<b>Total (i+ii+iii)</b>	<b>915.93</b>	<b>183.31</b>	<b>133.69</b>	<b>989.67</b>

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### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount	
		Name	Kundan Lal Bhatia	Kapil Bhatia	Neeraj Bhatia	Mamta Bhatia		Manju Bhatia
		Designation	CMD	MD	CFO	Director		Director
1.	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18.00	27.50	27.50	22.40	22.00	117.4	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	0.88	0.89	–	–	1.77	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	9.50	23.32	23.31	9.20	9.20	74.53	
2.	Stock Option	–	–	–	–	–	–	
3.	Sweat Equity	–	–	–	–	–	–	
4.	Commission	–	–	–	–	–	–	
	– as % of profit	–	–	–	–	–	–	
	– others, specify	–	–	–	–	–	–	
5.	Others, please specify	–	–	–	–	–	–	
	<b>Total (A)</b>	<b>27.50</b>	<b>51.70</b>	<b>51.70</b>	<b>31.60</b>	<b>31.20</b>	<b>193.70</b>	
	Ceiling as per the Act							

#### B. Remuneration to other Directors:

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		R. N. Trivedi	Sarabjit Sigh	R.K. Bhatia	Nimesh Mukerji	Yashpal	
1.	<b>Independent Director</b>						
	Fee for attending Board Committee Meetings	0.55	0.55	0.30	0.55	0.55	2.50
	Commission						
	Others, please specify						
	<b>Total (1)</b>	<b>0.55</b>	<b>0.55</b>	<b>0.30</b>	<b>0.55</b>	<b>0.55</b>	<b>2.50</b>
2.	<b>Other Non-Executive Directors</b>						
	Fee for attending board committee meetings						
	Commission						
	Others, please specify						
	<b>Total (2)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
	<b>Total (B)=(1+2)</b>	<b>0.55</b>	<b>0.55</b>	<b>0.30</b>	<b>0.55</b>	<b>0.55</b>	<b>2.50</b>
	<b>Total Managerial Remuneration</b>						<b>196.2</b>
	Overall Ceiling as per the Act	As mentioned under Companies Act, 2013					

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (Rs./Lacs)	
		Name	Neeraj Bhatia		Dhruv Bhasin
		Designation	CFO		Company Secretary
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	27.50	6.58	34.08	
		0.88	-	0.88	
		23.22	-	23.22	
2.	Stock Option	-	-	-	
3.	Sweat Equity	-	-	-	
4.	Commission - as % of profit - others, specify	-	-	-	
5.	Others, please specify	-	-	-	
	<b>Total</b>	<b>51.70</b>	<b>6.58</b>	<b>58.18</b>	

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

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

## THIRTY EIGHTH ANNUAL REPORT

### ANNEXURE-'D' TO THE DIRECTOR'S REPORT

#### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

FOR PERIOD ENDED 31ST MARCH, 2018

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

To:

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by Frontier Springs Ltd (CIN: L17119UP1981PLC005212) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended on 31st March, 2018 according to the provisions of :

- I. • The Companies Act, 2013 (the Act) and the rules made there under.
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
  - The Depositories Act, 1996 and the Regulations and bye-laws framed there under.
  - Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
  - The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 (Not applicable to the company during the audit period);
    - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the company during the audit period);
    - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.
    - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the company during the audit period);and

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the company during the audit period).
- i. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015; as amended from time to time

**II. We have also examined compliances with the applicable clauses of following Acts:-**

- The Factories Act, 1948
- The Industrial Disputes Act, 1947
- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- The Employees' State Insurance Act, 1948
- The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Contract Labour (Regulation and Abolition) Act, 1970
- The Maternity Benefit Act, 1961
- The Child Labour (Prohibition and Regulation) Act, 1986
- The Industrial Employment (Standing Orders) Act, 1946
- The Employees' Compensation Act, 1923 (Earlier known as Workmen's Compensation Act, 1923)
- The Apprentices Act, 1961
- The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956

During the year under review the Company has filed periodical return and has not received any show cause notice and has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We have relied on the representation made by the Company and its officers on systems and mechanism formed by the Company for compliance under other Act, Laws and Regulations to the Company.

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1) and (SS-2) and notified by Central Government.
- b. The Listing Agreements entered into by the Company with Stock Exchanges.

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, etc. mentioned above.

**We further report that:**

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

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

Majority decision is carried through while there has been no member dissenting from the decisions arrived.

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

For P. MANGHWANI & ASSOCIATES  
(Company Secretaries)  
Priyanka Manghwani  
Proprietor  
(M NO. A23692)  
(CP No. 12498)

Date : 04.08.2018  
Place : Kanpur

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### Annexure –‘E’

#### Particulars of contracts/arrangements made with related parties.

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in Sub Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

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

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2018 which were not at arm's length price.

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

The details of material contracts or arrangements or transactions entered in to during the year ended March 31, 2018 which were at arm's length basis

Related Party	Relationship	Nature of transaction	Value (Amount Rs.)	Amount (in Rs.) outstanding Receivable/ Payable
Mr. Kundan Lal Bhatia	Key Management Person	Remuneration, LTC, Perquisites, E. Leave & Incentive	27,50,000.00	Cr. 3,00,000.00
Mr. Kapil Bhatia	Key Management Person	Remuneration, Perquisites, E. Leave, Contribution to NPS & Incentive	51,70,000.00	Cr.2,02,451.51
Mr. Neeraj Bhatia	Key Management Person	Remuneration, Perquisites, E. Leave , Contribution to NPS & Incentive	51,70,000.00	Cr. 5,28,365.98
Smt. Mamta Bhatia	Key Management Person	Remuneration, E. Leave, Contribution to NPS & Incentive	31,60,000.00	Cr. 1,98,707.53
Smt. Manju Bhatia	Key Management Person	Remuneration, E. Leave, Contribution to NPS & Incentive	31,20,000.00	Cr. 4,18,001.27
Mr. Kapil Bhatia	Key Management Person	Interest on Deposits	7,72,101.00	Cr.55,83284..00
Mr. Neeraj Bhatia	Key Management Person	Interest on Deposits	8,54,303.00	Cr. 60,45,808.00
Smt. Mamta Bhatia	Key Management Person	Interest on Deposits	4,49,301.00	Cr.31,89,766.00
Smt. Manju Bhatia	Key Management Person	Interest on Deposits	5,05,270.00	Cr.35,12,323.00
M/s Vishpa Rail Equipments Pvt. Ltd.	Associate Concern	Interest on Deposits	14,80,789.00	Cr.1,33,69,054.00
M/s N.W.F.P. Equipments Pvt. Ltd.	Associate Concern	Payment of Deposits	1,31,25,000.00	NIL
M/s Frontier Alloy Steels Ltd.	Associate Concern	Sales	4,14,11,170.00	Dr. 80,50,184.00

<b>Related Party</b>	<b>Relationship</b>	<b>Nature of transaction</b>	<b>Value (Amount Rs.)</b>	<b>Amount (in Rs.) outstanding Receivable/ Payable</b>
M/s Frontier Alloy Steels Ltd.	Associate Concern	Jobwork Recd.	2,47,092.00	NIL
M/s Frontier Alloy Steels Ltd	Associate Concern	Purchase	6,96,672.00	NIL
M/s Frontier Engineering Corporation	Associate Concern	Jobwork Recd.	10,720.00	NIL
M/s Frontier Engineering Corporation	Associate Concern	Purchase	43,622.00	NIL
M/s Frontier Industries	Associate Concern	Land Purchase	68,88,000.00	NIL
M/s Vishpa Rail Equipments Pvt. Ltd.	Associate Concern	Rent Recd.	1,25,000.00	NIL
M/s Vishpa Rail Equipments Pvt. Ltd.	Associate Concern	Jobwork Paid	75,58,558.00	NIL
M/s P.C. Packagers	Associate Concern	Purchase	1,28,14,996.08	NIL
M/s P.C. Packagers	Associate Concern	Rent Recd.	58,850.00	NIL

## Nomination and Remuneration Policy

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

### 1. OBJECTIVE

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

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

### 2. DEFINITIONS

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

**Board** means Board of Directors of the Company.

**Directors** mean Directors of the Company.

**Key Managerial Personnel** means

Chief Executive Officer or the Managing Director or the Manager;

Whole-time director;

Chief Financial Officer;

Company Secretary; and

such other officer as may be prescribed.

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

### 3. ROLE OF COMMITTEE

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

The Committee shall:

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

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

##### 3.2.1. Appointment criteria and qualifications

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



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

### **3.2.2. Term / Tenure**

#### **a) Managing Director/Whole-time Director:**

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

#### **b) Independent Director:**

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

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

### **3.2.3. Evaluation**

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

### **3.2.4. Removal**

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

### **3.2.5. Retirement**

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

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

### **3.3.1. General:**

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

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

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

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

#### **a) Fixed pay:**

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

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

#### **b) Minimum Remuneration:**

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

#### **c) Provisions for excess remuneration:**

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

### **3.3.3. Remuneration to Non- Executive / Independent Director:**

#### **a) Remuneration / Commission:**

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

#### **b) Sitting Fees:**

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

**c) Commission:**

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

**d) Stock Options:**

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

**4. MEMBERSHIP**

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

**5. CHAIRPERSON**

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

**6. FREQUENCY OF MEETINGS**

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

**7. COMMITTEE MEMBERS' INTERESTS**

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

**8. SECRETARY**

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

**9. VOTING**

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

**10. NOMINATION DUTIES**

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

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

## THIRTY EIGHTH ANNUAL REPORT

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

### 11. REMUNERATION DUTIES

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

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

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

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

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

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

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

### 12. MINUTES OF COMMITTEE MEETING

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

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of**

**M/S FRONTIER SPRINGS LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of FRONTIER SPRINGS LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind As financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in Equity of the Company in accordance with the Accounting Principles Generally Accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015. As amended and other Accounting Principles Generally Accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Ind As Financial

Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind As financial statements are free from material misstatement.

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 Ind As financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind As financial statements that give a true and fair view in order to design audit procedures that are appropriate

in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the

### **Ind As Financial Statements.**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind As financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind As 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, of the state of affairs of the Company as at March 31, 2018, and its Profit, Total comprehensive Income, its Cash Flow and changes in Equity for the year ended on that date. Subject to note 1 of Notes on Financial Statements for the year ending 31st March 2018.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of subsection (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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2. As required by section 143 (3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account
  - d. In our opinion, the aforesaid Ind As financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal

financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place : Kanpur  
Date : 28.05.2018

## **ANNEXURE - 'A' TO THE INDEPENDENT AUDITORS' REPORT**

**Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2018:**

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of the immovable properties are held in the name of the company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised money by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of

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

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

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

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

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

Place : Kanpur  
Date : 28.05.2018



## **“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of FRONTIER SPRINGS LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of FRONTIER SPRINGS LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the

“Institute of Chartered Accountants of India” (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance

Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the pos-

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sibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial con-

trols over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For SANJEEVANI RAIZADA & CO.

*Chartered Accountants*

Firm's Regn. No. : 021960C

SANJEEVANI RAIZADA

*Proprietor*

Membership No. 414542

Place : Kanpur

Date : 28.05.2018

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# ACCOUNTS

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## BALANCE SHEET AS ON 31ST MARCH, 2018

	Note No.	Figure as at 31st March, 2018 Rs.	Figure as at 31st March, 2017 Rs.
<b>I. ASSETS</b>			
<b>1. Non-current Assets</b>			
(a) Property, Plant And Equipment	1	28,92,58,025.77	26,75,36,460.64
(b) Capital Work in Progress	1	33,76,159.40	98,48,601.00
(c) Investment Properties		0.00	0.00
(d) Goodwill		0.00	0.00
(e) Other Intangible Assets		0.00	0.00
(f) Intangible Assets Under Developments		0.00	0.00
(g) Biological Assets Other Than Bearer Plants		0.00	0.00
(h) Financial Assets		0.00	0.00
(i) Investments	2	16,00,000.00	16,00,000.00
(ii) Trade Receivables		0.00	0.00
(iii) Loans	3	1,13,66,286.00	1,08,80,629.00
(iv) Other Financial Assets		0.00	0.00
(i) Deferred Tax Assets (Net)		0.00	0.00
(j) Other Non-current Assets	4	61,34,281.00	30,42,683.00
<b>2. Current Assets</b>			
(a) Inventories	5	14,97,76,903.34	16,00,74,386.36
(b) Financial Assets			
(i) Investments	6	1,52,00,000.00	0.00
(ii) Trade Receivables	7	10,16,46,032.89	7,45,07,679.00
(iii) Cash and Cash Equivalents	8	1,25,55,622.06	1,91,48,176.86
(iv) Bank Balances other than Cash and Cash Equivalents		0.00	0.00
(v) Loans	9	32,17,271.28	24,58,562.97
(vi) Other Financial Assets		0.00	0.00
(c) Current Tax Assets (Net)		0.00	0.00
(d) Other Current Assets	10	5,50,387.42	51,25,185.67
Total Assets		<u>59,46,80,969.16</u>	<u>55,42,22,364.50</u>
<b>II. Equity &amp; Liabilities</b>			
<b>1. Equity</b>			
(a) Equity Share Capital	11	3,96,32,110.00	3,96,32,110.00
(b) Other Equity	12	25,75,08,328.74	22,18,76,803.77
<b>2. Liabilities</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	5,77,70,779.97	6,25,72,182.00
(ii) Trade Payables		0.00	0.00
(iii) Other Financial Liabilities		0.00	0.00
(b) Provisions	14	28,48,464.00	33,91,335.00
(c) Deferred Tax Liabilities (Net)	15	2,07,58,466.00	1,28,50,567.00
(d) Other Non-current Liabilities	16	4,85,550.00	4,88,150.00
<b>3. Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	6,55,22,326.54	7,57,90,599.62
(ii) Trade Payables	18	13,00,18,827.52	12,04,09,505.67
(iii) Other Financial Liabilities		0.00	0.00
(b) Other Current Liabilities	19	94,84,652.79	60,21,168.46
(c) Provisions	20	1,06,51,463.60	1,11,89,942.98
(d) Current Tax Liabilities (Net)		0.00	0.00
Total Equity & Liabilities		<u>59,46,80,969.16</u>	<u>55,42,22,364.50</u>

Significant Accounting Policies and Notes on Financial Statements  
As per our Report of even date.

A to W &  
1 to 36

For SANJEEVANI RAIZADA & CO.

Chartered Accountants

Firm Registration No. 021960C

SANJEEVANI RAIZADA

Proprietor

Membership No. 414542

Place : Kanpur

For and on behalf of Board of Directors

K. L. BHATIA

Chairman & Managing Director

KAPIL BHATIA  
Managing Director

NEERAJ BHATIA  
CFO

DHRUV BHASIN

SANJAY NIGAM

**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

	Note No.	Figure as at 31st March, 2018 Rs.	Figure as at 31st March, 2017 Rs.
<b>INCOME</b>			
I. Revenue From Operations	21	<b>59,48,42,198.39</b>	48,75,79,736.50
Other Income	22	<b>55,22,991.59</b>	33,60,562.66
Total Income		<b>60,03,65,189.98</b>	49,09,40,299.16
<b>II. Expenses</b>			
Cost of Material Consumed	23	<b>23,96,06,470.21</b>	23,88,94,740.85
Changes In Inventories of Finished Goods and Work-in-Progress	24	<b>2,60,73,434.20</b>	(1,81,95,846.86)
Employee Benefit Expenses	25	<b>2,09,09,115.00</b>	1,95,48,426.00
Finance Cost	26	<b>1,32,25,750.08</b>	1,42,60,410.37
Depreciation and Amortisation Expenses	27	<b>1,93,78,526.82</b>	1,65,92,507.90
(a) Manufacturing and Operating Cost	28	<b>12,83,12,821.93</b>	11,42,90,885.58
(b) Other Expenses	29	<b>9,79,15,143.77</b>	8,23,17,143.10
Total Expenses		<b>54,54,21,262.01</b>	46,77,08,266.94
<b>III. Profit/(Loss) Before Exceptional Items and Tax</b>		<b>5,49,43,927.97</b>	2,32,32,032.22
<b>IV. Exceptional Items</b>		<b>0.00</b>	0.00
<b>V. Profit/(Loss) Before Tax</b>		<b>54,94,39,27.97</b>	2,32,32,032.22
<b>VI. Tax Expenses /(Credit)</b>			
(1) Current Tax		<b>1,14,04,504.00</b>	48,28,020.00
(2) Deferred Tax		<b>79,07,899.00</b>	(29,53,203.00)
<b>VII. Profit (Loss) for the Year</b>		<b>3,56,31,524.97</b>	2,13,57,215.22
<b>VIII. Other Comprehensive Income</b>			
Items that will not be reclassified to Profit or Loss		<b>0.00</b>	0.00
Total Other Comprehensive Income (Net of Tax)		<b>0.00</b>	0.00
<b>IX. Total Comprehensive Income for the Year</b>		<b>3,56,31,524.97</b>	2,13,57,215.22
<b>X. Earning Per Equity Share of Rs.10 Each.</b>			
(1) Basic	30	<b>9.05</b>	5.42
(1) Diluted			
Significant Accounting Policies and Notes on Financial Statements	A to W & 1 to 37		

As per our Report of even date.

For SANJEEVANI RAIZADA & CO.  
Chartered Accountants  
Firm Registration No. 021960C  
SANJEEVANI RAIZADA  
Proprietor  
Membership No. 414542  
Place : Kanpur  
Date : 28.05.2018

For and on behalf of Board of Directors

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

## THIRTY EIGHTH ANNUAL REPORT

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	As at 31.03.2018	(Rs. in Lacs) As at 31.03.2017
<b>A) Cash Flow From Operating Activities :</b>		
Net Profit Before Tax as per Statement of Profit and Loss	549.44	232.32
Item Adjustment For :		
Depreciation & Amortisation Expenses	193.79	165.92
Finance Cost	132.26	142.60
Rental Income	(30.24)	(6.36)
Interest Income	(12.73)	(25.96)
Input Credit of Central Excise Duty on Stock	(9.68)	0.00
Jobwork Income	(2.58)	(1.29)
Loss on Sale of Car taken as Extra Ordinary Item	5.07	1.06
Hire Charges	7.65	4.13
<b>Operating Profit Before Working Capital Changes</b>	<b>832.98</b>	<b>512.42</b>
<b>Adjustment For :</b>		
Inventories	102.97	(99.85)
Sundry Debtors	(271.38)	274.03
Loan & Advances	2.40	(9.18)
Sundry Creditors	96.09	34.03
Sundry Provisions	23.79	(29.82)
Cash Generated From Operations	786.85	681.63
Extra Ordinary Items	(5.07)	(1.06)
Tax Paid	(114.05)	(48.28)
<b>Net Cash (Used In) From Operating Activities (A)</b>	<b>667.73</b>	<b>632.29</b>
<b>(B) Cash Flow From Investing Activities :</b>		
Purchase of Property, Plant and Equipments	(489.17)	(591.99)
Sale of Property, Plant and Equipments	142.90	2.59
Investment	(152.00)	(16.00)
Interest Received	12.73	25.96
Input Credit of Central Excise Duty on Stock	9.68	0.00
Jobwork Income	2.58	1.29
Rent Received	30.24	6.36
<b>Net Cash (Used In)/From Investing Activities (B)</b>	<b>(443.04)</b>	<b>(571.79)</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)**

	<b>As at 31.03.2018</b>	(Rs. in Lacs) As at 31.03.2017
<b>C) Cash Flow From Financing Activities</b>		
Proceeds From Share Capital	<b>0.00</b>	0.00
Proceeds/(Repayment) From Long Term Borrowings	<b>(48.01)</b>	76.26
Proceeds/(Repayment) of Short Term Borrowing	<b>(102.69)</b>	29.19
Interest Paid (Bank & Loan)	<b>(132.26)</b>	(142.60)
Hire Charges	<b>(7.65)</b>	(4.13)
Net Cash(used In)/From Financing Activities (C)	<b>(290.61)</b>	(41.28)
Net(decrease)/Increase In Cash And Cash Equivalents (A+B+C)	<b>(65.92)</b>	19.22
Cash and Cash Equivalents-Opening	<b>191.48</b>	172.26
Cash and Cash Equivalents-Closing	<b>125.56</b>	191.48

As per our Report of even date.

For SANJEEVANI RAIZADA & CO.

*Chartered Accountants*

Firm Registration No. 021960C

SANJEEVANI RAIZADA

*Proprietor*

Membership No. 414542

Place : Kanpur

Date : 28.05.2018

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 EIGHTH ANNUAL REPORT

### STATEMENT OF CHANGE IN EQUITY AS ON 31st MARCH, 2018

(Amount in Rs.)

Particulars	Figures As At 31.03.2018	Figures As At 31.03.2017
<b>(A) EQUITY SHARE CAPITAL :</b>		
(Including Share Forfeiture)		
Balance at the beginning of the Reporting Year	3,96,32,100.00	3,96,32,110.00
Balance at the end of the Reporting Year	3,96,32,100.00	3,96,32,110.00

**(B) OTHER EQUITY:**

(Amount in Rs.)

Particulars	Security Premium Account	General Reserve	Surplus	Total
<b>Balance as on 1st April, 2017</b>	<b>2,20,28,000.00</b>	<b>2,00,00,000.00</b>	<b>17,98,48,803.97</b>	<b>22,18,76,803.97</b>
Addition:	0.00	0.00	3,56,31,524.97	3,56,31,524.97
Items of OCI				
Net Fair Value Gain on				
Investment through OCI	0.00	0.00	0.00	0.00
<b>Balance as on 31st March, 2018</b>			<b>25,75,08,328.94</b>	

As per our Report of even date.

For SANJEEVANI RAIZADA & CO.

*Chartered Accountants*

Firm Registration No. 021960C

SANJEEVANI RAIZADA

*Proprietor*

Membership No. 414542

Place : Kanpur

Date : 28.05.2018

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*



## **SIGNIFICANT ACCOUNTING POLICIES**

### **Company Overview**

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

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

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

### **A. Basis of Preparation of Financial Statements**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### **B. Use of Estimates**

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

### **C. Property, Plant and Equipment**

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

### **D. Leased Assets**

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

### **E. Intangible Assets**

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

### **F. Depreciation and Amortisation**

Depreciation on fixed assets is provided on the straight-line method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Individual low cost assets (acquired for ₹ 5,000/- or less) are depreciated as per the rates prescribed in Schedule II of the Companies Act, 2013, over a period of one year from the date of acquisition.

## THIRTY EIGHTH ANNUAL REPORT

### **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.1,30,99,256.83 (Pre.Yr.Rs.2,05,57,782.16 includes the amount of Excise duty amounting to Rs.11,38,453.00 and provided the excise duty on closing stock of finished goods & scrap to Profit & Loss account).

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

### **M. Retirement benefits to employees Gratuity**

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit retirement plans ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a

lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

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

#### **Provident fund**

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

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

#### **N. Employee Separation Costs**

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

#### **Q. Borrowing Costs**

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

#### **P. Financial Derivatives and Commodity Hedging Transactions**

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

#### **Q. Accounting for Oil and Gas Activity**

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

#### **R. Provision for Current and Deferred Tax**

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

#### **S. Premium on Redemption of Bonds / Debentures**

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

#### **T. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

## THIRTY EIGHTH ANNUAL REPORT

The Company is contingently liable towards Bank Guarantee provided to the tune of Rs.218.27 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.440.83 lacs in favour of M/s Sun Flag Iron & Steel Co. Ltd., M/s Deepa Sales. (Prev. Yr. Bank guarantee of Rs. 218.27 lacs in favour of Indian Railways and H.P.S.E.B. and Letter of credit of Rs.440.83 lacs in favour of M/s SunFlag Iron & Steel Co. Ltd., M/s Deepa Sales & M/s Asian Colour Coated Ispat 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, 2018**

- (1) (i) It has been informed to us by the management of Company that due to change in Market Value of ICICI Prudential Mutual Funds on 31st March 2018, there is change in value of Rs.1,04,792.08 which has been duly mentioned in note no. 2 on Financial Statement of Non-Current Investment.

Amount in Rupees

<b>PARTICULARS</b>	<b>Current Value</b>	<b>Market Value</b>	<b>Change</b>
ICICI Prudential Mutual Fund	<b>16,00,000.00</b>	17,04,792.08	1,04,792.08

- (ii) It has been further informed to us by the management of Company that due to change in Market Value of ICICI Prudential Mutual Funds on 31st March 2018, there is change in value of Rs.1,23,915.45 and change in Market value as on 31st March 2018 of SBI Dual Advantage Fund there is change in value to Rs. 21,240.00 which has been duly mentioned in Note no. 6 on Financial Statement of Current Investment.

Amount in Rupees

<b>Particulars</b>	<b>Current Value</b>	<b>Market Value</b>	<b>Change</b>
ICICI Prudential Mutual Fund	<b>1,32,00,000.00</b>	1,33,23,915.45	1,23,915.45
S.B.I. Dual Advantage Fund	<b>20,00,000.00</b>	20,21,240.00	21840.00
<b>Total</b>	<b>1,52,00,000.00</b>	1,53,45,155.45	1,45,155.45

The amount being nominal hence it is decided not to present the same in other comprehensive income. If the change would have been made then the Total Figures of Balance sheet would have been Rs. 59,48,46,184.16, figures of Total Reserves would have been Rs. 25,76,73,543.94, presentation of Non-Current Investment, Current Investment & Other Comprehensive Income and change in Equity will stand as follows:

Amount in Rupees

<b>Particulars</b>	<b>Figures As At 31.03.2018</b>	<b>Figures As At 31.03.2017</b>
<b>Non-current Investments;</b>		
ICICI Prudential Mutual Fund	<b>17,04,792.08</b>	16,00,000.00
<b>Total</b>	<b>17,04,792.08</b>	16,00,000.00
<b>Current Investments;</b>		
ICICI Prudential Mutual Fund	<b>1,33,23,915.45</b>	0.00
S.B.I. Dual Advantage Fund	<b>20,21,240.00</b>	0.00
<b>Total</b>	<b>1,53,45,155.45</b>	0.00

That in the statement of Profit and loss account if the change would have been made then the change in figures would have been as follows:

**Other Comprehensive Income (OCI) as on 31st March, 2018**

Items that will be reclassified to Profit and loss account:

(i) Fair Value gain on investment through OCI	<b>249,947.53</b>
(ii) Income Tax expenses on net fair value gain on investment	<b>84,732.53</b>
Net increase in Profit	<b>1,65,215.00</b>
Earning per equity share of Rs.10 each	<b>9.09</b>

## THIRTY EIGHTH ANNUAL REPORT

### STATEMENT OF CHANGE IN EQUITY AS ON 31st MARCH, 2018

(Amount in Rs.)

Particulars	Security Premium Account	General Reserve	Surplus	Total
<b>Balance as on 1st April, 2017</b>	<b>2,20,28,000.00</b>	<b>2,00,00,000.00</b>	<b>17,98,48,803.97</b>	<b>22,18,76,803.97</b>
Addition:	0.00	0.00	3,56,31,524.97	3,56,31,524.97
Items of OCI				
Net Fair Value Gain on				
Investment through OCI	0.00	0.00	1,65,215.00	1,65,215.00
<b>Balance as on 31st March, 2018</b>				<b>25,76,73,543.94</b>

**Notes:** The applicability of Ind As has come for first time for the relevant year of the Company hence only figures of current years have been prepared in accordance to the same and the presentation of previous years figures have been accordingly changes to make it comparable.

As per our Report of even date.

For SANJEEVANI RAIZADA & CO.

*Chartered Accountants*

Firm Registration No. 021960C

SANJEEVANI RAIZADA

*Proprietor*

Membership No. 414542

Place : Kanpur

Date : 28.05.2018

For and on behalf of Board of Directors

K. L. BHATIA

*Chairman & Managing Director*

KAPIL BHATIA  
*Managing Director*

DHRUV BHASIN  
*Company Secretary*

NEERAJ BHATIA  
*CFO*

SANJAY NIGAM  
*Manager Accounts*

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

### 1. PROPERTY, PLANT & EQUIPMENTS

Name of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost as on 01.04.2017 Rs.	Addition during the year Rs.	Trf./Adjustment during the year Rs.	Total as on 31.3.2018 Rs.	Upto 31.03.2017 Rs.	For the Year Rs.	Trf./Adjustment For year Rs.	Total as on 31.03.2018 Rs.	Balance as on 31.03.2017 Rs.
Lease Hold Land (Panki)	1,65,621.02			1,65,621.02	0.00			0.00	1,65,621.02
Free Hold Land	2,51,63,651.00	73,90,280.00		3,25,53,931.00	0.00			0.00	3,25,53,931.00
Building	7,54,63,677.91	1,90,14,926.68		9,44,78,604.59	1,32,95,813.35	23,18,300.00		1,56,14,113.35	78,86,4491.24
Plant & Machinery	19,91,75,415.38	99,07,653.32	2,02,62,793.77	18,88,20,274.93	7,79,19,439.78	82,17,268.00	70,33,868.78	7,91,02,839.00	10,97,17,435.93
Tools Moulds & Rolls (Iron)	2,61,40,677.63	36,87,539.41		2,98,28,217.04	66,64,405.98	15,71,356.00		82,35,761.98	2,15,92,455.06
Generator	53,64,986.00			53,64,986.00	20,62,502.06	3,60,440.00		24,22,942.06	29,42,043.94
Lab & Testing Equipments	1,24,25,053.75	8,55,000.00		1,32,80,053.75	45,25,197.96	14,02,869.57		59,28,067.53	73,51,986.22
Office Equipments	49,13,014.23	10,78,514.80		59,91,529.03	34,40,400.27	5,26,330.91		39,66,731.18	20,24,797.85
Electric Filings & Equipments	1,28,86,363.05	10,13,151.82		1,38,99,514.87	4,00,4741.87	14,11,744.00		54,16,485.87	84,83,029.00
Furniture & Fixture	58,28,726.16	2,90,132.72		61,18,858.88	35,61,394.63	3,52,315.00		39,13,709.63	22,05,149.25
Vehicles	2,42,18,648.60	1,19,82,046.00	27,18,272.00	3,34,82,422.60	94,31,592.06	30,06,632.70	16,57,168.42	1,07,81,056.34	2,27,01,366.26
Computer	37,76,253.00	1,61,206.77		39,37,459.77	30,70,470.13	2,11,270.64		32,81,740.77	6,55,719.00
<b>Total</b>	<b>39,55,22,087.73</b>	<b>5,53,80,451.52</b>	<b>2,29,81,065.77</b>	<b>42,79,21,473.48</b>	<b>12,79,85,627.09</b>	<b>1,93,78,526.82</b>	<b>86,91,037.20</b>	<b>13,86,63,447.71</b>	<b>28,92,58,025.77</b>
Previous Year	33,89,84,040.36	5,78,80,779.37	13,42,732.00	39,55,22,087.73	11,24,77,462.19	1,65,92,507.90	10,84,343.00	12,79,85,627.09	26,75,36,460.64
<b>Capital Work In Progress</b>								<b>33,76,159.40</b>	<b>98,48,601.00</b>

1.1 Capital Work-in-Progress of Rs. 33,76,159.40 includes:

- i) Rs.10,29,731.00 on account of Plant & Machinery wok-in-progress for Coiling Machine and Rs. 23,46,428.40 on account of building Work-in-progress for construction of works shed at Rania and office at Panki Kanpur.  
(Previous Year Rs.88,18,870.00 on account of workshop Building Work-in-Progress and Rs.10,29,731.00 on account of Plant & Machinery Work-in-Progress for coiling machine.)

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

Place : Kanpur  
Date : 28.05.2018

K. L. BHATIA  
Chairman & Managing Director

KAPIL BHATIA  
Managing Director

NEERAJ BHATIA  
CFO

DHRUV BHASIN  
Company Secretary

SANJAY NIGAM  
Manager Accounts

## THIRTY EIGHTH ANNUAL REPORT

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

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

Particulars	Figure as at 31st March, 2018 Rs.	Figure as at 31st March, 2017 Rs.
<b>NON-CURRENT ASSETS:-</b>		
<b>2. NON-CURRENT INVESTMENTS</b>		
ICICI Prudential Mutual Fund (74411.60 Units @22.9103 Current value Rs. 17,04,792.08) (Previous Year.74411.60 Units @21.6516 Current value Rs. 16,11,130.02)	16,00,000.00	16,00,000.00
Total	<u>16,00,000.00</u>	<u>16,00,000.00</u>
<b>3. NON-CURRENT LOANS (Unsecured And Considered Good)</b>		
(a) Advance for Capital Items	38,42,877.00	39,92,877.00
(b) Security Deposits	75,23,409.00	63,47,141.00
(c) Income Tax Refund (A.Y. 2015-16)	0.00	5,26,160.00
(d) Income Tax Refund (A.Y. 2016-17)	0.00	14,451.00
Total	<u>1,13,66,286.00</u>	<u>1,08,80,629.00</u>
<b>3.1 Advance for Capital items of Rs.38,42,877.00 include as under:</b>		
i) Rs.31,52,877/- advance to Unitech Limited on account of booking of a flat at Gurgaon, Rs.5,50,000.00 advance for office equipments and Rs. 1,40,000/- given advance to supplier on account of spares for furnace repairing.  (Prev.Yr.Rs.31,52,877/- advance to Unitech Limited on account of booking of a flat at Gurgaon, Rs.7,00,000.00 advance for building material for road construction and Rs. 1,40,000/- given advance to supplier on account of spares for furnace repairing).		
<b>3.2 Security deposits of Rs.75,23,409.00 include as under:</b>		
i) Rs.25,60,262/- deposit for electricity with U. P. S. E. B. and H. P. S. E. B. (Prev.Yr. Rs.25,60,262/-), and Rs. 8,000/- with Central Excise (Prev. Yr. Rs.Nil).		
ii) Rs.46,26,377/- deposit with Indian Railway against warrantee (Prev.Yr.Rs.33,99,624/-), Rs.30,505/- deposit for gas cylinder with IOC (Prev.Yr.Rs.27,450/-) and Rs. 1,20,000/- deposit with sales tax at Ludhiana.(Prev. Yr. Rs. 120000/)		
iii) Rs.65,805/- deposit for Telephone with BSNL (Prev. Yr. Rs.65,805/-) and Rs. 10,000/-deposit to Stanadard Chartered Bank for transfer of shares. (Prev. Yr. Rs.10,000/-) and Rs. 1,02,500/- deposit against rent.(Pre.Yr. Rs. 1,64,000/-)		
<b>4. OTHER NON-CURRENT ASSETS;</b>		
(a) S.T.D.R. with S.B.I. Agst. Sales Tax	50,000.00	50,000.00
(b) S.T.D.R. with W. RLY. Agst. Security	8,034.00	8,034.00
(d) Debts due for more than One Year	60,76,247.00	29,84,649.00
Total	<u>61,34,281.00</u>	<u>30,42,683.00</u>



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

Particulars	Figure as at 31st March, 2018 Rs.	Figure as at 31st March, 2017 Rs.
<b>Current Assets:</b>		
<b>5. INVENTORIES</b>		
1. Raw Material	5,23,06,504.31	3,54,82,287.89
2. Stock-in-progress	6,61,73,970.60	8,47,88,879.47
3. Finished Goods	1,07,49,314.90	1,82,27,007.58
4. Finished Goods (Roofing Sheets)	4,56,708.91	13,53,852.72
5. Scrap	18,93,233.02	9,76,921.86
6. Furnace Oil	7,16,995.00	3,00,957.43
7. Diesel Oil	1,67,171.84	1,59,220.26
8. Consumable Stores	1,35,37,348.60	1,67,37,669.52
9. Packing Material	11,66,209.16	20,47,589.63
10. Stock-in-transit	26,09,447.00	0.00
Total	<b>14,97,76,903.34</b>	<b>16,00,74,386.36</b>
<b>6. CURRENT INVESTMENTS</b>		
ICICI Prudential Mutual Fund (581568.79 Units @22.9103 Current value Rs. 1,33,23,915.45)	1,32,00,000.00	0.00
S.B.I. Dual Advantage Fund (200000 Units @ 10.1062 Current value Rs. 20,21,240.00)	20,00,000.00	0.00
Total	<b>1,52,00,000.00</b>	<b>0.00</b>
<b>7. SUNDRY DEBTORS (Unsecured But Considered Good Holding No Security Other Than Debtors Personal Security)</b>		
Debts due for less than Six Months	9,76,94,943.89	7,07,71,405.00
Debts due for more than Six Months	39,51,089.00	37,36,274.00
Total	<b>10,16,46,032.89</b>	<b>7,45,07,679.00</b>
<b>8. CASH AND CASH EQUIVALENTS</b>		
(a) Cash in Hand (As Certified By Management)	3,28,834.80	4,14,930.80
(b) Balance with H.D.F.C. Bank Ltd.	15,65,445.39	4,35,061.39
(c) Balance with S.B.I. SME A/c	97,819.90	28,78,654.84
(d) Balance with P.N.B. Current A/c (Gratuity)	11,619.00	11,619.00
(e) Balance with S.B.I. SME A/c (Paonta Sahib Unit)	3,37,586.21	9,50,171.07
(f) Balance with S.B.I. SME A/c 34459113680 (Paonta Sahib Unit)	4,76,420.49	4,34,899.24
(g) Balance with S.B.I. SME A/c (Forging Div.)	68,807.24	7,455.89
(h) Balance with Yes Bank Ltd. (Un-claimed Dividend)	4,85,550.00	4,88,150.00
(i) Balance with Standard Chartered Bank	630.93	630.93
(j) Balance with S.B.I. C/A A/c (351351103258), Poanta	1,12,431.10	4687.70
(k) Margin Money with S.B.I. Agst. L/C & B.G.	90,70,477.00	1,35,21,916.00
Total	<b>1,25,55,622.06</b>	<b>1,91,48,176.86</b>

8.1 Balance with YES Bank Ltd. of Rs. 4,85,550/- is on account of Unpaid Dividend Rs.1,83,218/- for the period 2010-11 and Rs. 3,02,332/- for the period 2011-12.

## THIRTY EIGHTH ANNUAL REPORT

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

Particulars	Figure as at 31st March, 2018 Rs.	Figure as at 31st March, 2017 Rs.
<b>9. CURRENT LOANS AND ADVANCES (Unsecured But Considered Good)</b>		
i) Advance to Trade Supplier	6,70,949.47	6,01,470.47
ii) Advance to Staff Agst.Salary	17,07,119.31	8,09,500.00
iii) Advances for Expenses	94,168.00	70,555.00
iv) Prepaid Expenses	7,41,832.50	9,77,037.50
v) Income Tax Refund (A.Y.2017-18)	3,202.00	0.00
Total	32,17,271.28	24,58,562.97
<b>10. OTHER CURRENT ASSETS</b>		
Accrued Interest on STDR With Bank	2,04,340.42	10,35,505.42
Cenvat Recoverable (Input)	0.00	1,29,049.00
Cenvat Recoverable (Capital Goods)	0.00	35,982.00
Cenvat Deferred (Capital Goods)	0.00	8,26,344.00
Sales Tax Against Stay Order (2012-13)	0.00	5,81,666.00
Personal Ledger Account (Excise & Cess)	0.00	8,907.00
Electronic Cash Ledger Account	88,649.00	0.00
IGST Input	19,480.00	0.00
Service Tax on Input Services	0.00	1,13,964.00
Service Tax (Advance) Deposit	0.00	498.00
Vat Recov. on Raw Material & Other Purchase	0.00	14,060.00
Vat Credit Deferred (Pre.yr.) on Capital Goods	0.00	12,26,395.00
Vat Credit Deferred on Capital Goods	0.00	11,52,815.25
Vat Recoverable (TDS)	2,37,918.00	0.00
Total	5,50,387.42	51,25,185.67
<b>EQUITY &amp; LIABILITIES:</b>		
<b>11. SHARE CAPITAL</b>		
<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
Total	5,10,00,000.00	5,10,00,000.00
<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
Total	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 Fully Paid Up (Including 12,57,500 Shares Issued as Bonus)	3,93,85,110.00	3,93,85,110.00
49,400 Forfeited Equity Share (Paid Up Rs.5/- Only)	2,47,000.00	2,47,000.00
Total	3,96,32,110.00	3,96,32,110.00

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

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**

	<b>Figure As at 31.03.2018 Rs.</b>	<b>Figure As at 31.03.2017 Rs.</b>	
<b>Authorised Capital:</b>			
50,00,000 Equity Shares of Rs. 10/-each	<b>5,00,00,000.00</b>	5,00,00,000.00	
10,000 12% Redeemable Preference Shares of Rs. 100/- Each Redeemable After 5 Years	<b>10,00,000.00</b>	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)	<b>3,98,79,110.00</b>	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)	<b>3,93,85,110.00</b>	3,93,85,110.00	
49,400 Share Forfeiture (Paid Up Rs.5/- Only)	<b>2,47,000.00</b>	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	<b>3938511/39385110</b>	3938511/39385110	
Add : Issued during the year Balance at the end of the year	<b>Nil</b>	Nil	
Balance at the end of the year	<b>3938511/39385110</b>	3938511/39385110	
C) Details of Share Holders Holding more than 5% of the aggregate Share in the Company.			
<b>Name of Share Holders</b>	<b>No. of Shares</b>	<b>Amount</b>	<b>Amount</b>
1. Kundan Lal Bhatia	<b>3,26,040</b>	<b>32,60,400.00</b>	32,60,400.00
2. Puran Chand Bhatia	<b>9,75,832</b>	<b>97,58,320.00</b>	97,58,320.00
Right, Preference and Restriction attached to shares		<b>Nil</b>	Nil
D) The Company has equity shares having par value of Rs.10/- Each shareholder is eligible for one vote per share held.			

## THIRTY EIGHTH ANNUAL REPORT

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

Particulars	Figure as at 31st March, 2018 Rs.	Figure as at 31st March, 2017 Rs.
<b>12. OTHER EQUITY:</b>		
<b>Capital Reserve;</b>		
Opening Balance	0.00	0.00
Add: Transferred From Surplus	0.00	0.00
Closing Balance	0.00	0.00
Securities Premium Account ; (On 22,27,500 Equity Shares of Rs.10/- Each Per Share Including Premium Received @ 5/- on 49,400 Shres Foefeited)		
Opening Balance	2,20,28,000.00	2,20,28,000.00
Add: On Issue of Shares	0.00	0.00
Closing Balance	2,20,28,000.00	2,20,28,000.00
General Reserve;		
Opening Balance	2,00,00,000.00	2,00,00,000.00
Add : Transferred From Surplus	0.00	0.00
Closing Balance	2,00,00,000.00	2,00,00,000.00
<b>Surplus;</b>		
Opening Balance	17,98,48,803.77	15,84,91,588.55
Add: Net Profit After Tax Transferred From Statement of Profit And Loss	3,56,31,524.97	2,13,57,215.22
Amount Available For Appropriation	21,54,80,328.74	17,98,48,803.77
Appropriations:		
Dividend Tax	0.00	0.00
Closing Balance	<u>21,54,80,328.74</u>	<u>17,98,48,803.77</u>
Total	<u>25,75,08,328.74</u>	<u>22,18,76,803.77</u>
<b>Non-Current Liabilities :</b>		
<b>Financial Liabilities</b>		
<b>13. NON-CURRENT BORROWINGS</b>		
<b>(i) Term Loans</b>		
Secured Loan		
BMW India Financial Services Ltd.	39,45,255.67	0.00
ICICI Bank Ltd.	34,00,000.00	0.00
Kotak Mahindra Prim. Ltd. Car Loan	46,84,087.00	52,59,439.00
Mahindra & Mahindra Financial Services Ltd.	68,753.00	2,01,011.00
Toyota Finacial Services India Ltd. (All Car Loan Against Hypothecation of Cars )	9,94,334.00	14,99,263.00
State Bank of India Term Loan A/c (Term Loan Against Hypothecation of Building & Plant & Machinery)	1,21,76,024.00	2,04,01,354.00
ICICI Bank Ltd. (Term Loan Against Hypothecation of Plant & Machinery)	8,02,091.30	0.00
Total	<u>2,60,70,544.97</u>	<u>2,73,61,067.00</u>
<b>(ii) Inter Corporate Body Deposits</b>		
Vishpa Rail Equipments Pvt. Ltd.	1,33,69,054.00	1,54,51,890.00
N.W.F.P. Equipments Pvt. Ltd.	0.00	62,37,000.00
Total	<u>1,33,69,054.00</u>	<u>2,16,88,890.00</u>
<b>(iii) Unsecured Loan</b>		
Kapil Bhatia (Director)	55,83,284.00	49,68,393.00
Mamta Bhatia (Director)	31,89,766.00	14,85,396.00
Manju Bhatia (Director)	35,12,323.00	17,41,499.00
Neeraj Bhatia (Director)	60,45,808.00	53,26,937.00
Total	<u>1,83,31,181.00</u>	<u>1,35,22,225.00</u>
Total	<u>5,77,70,779.97</u>	<u>6,25,72,182.00</u>

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

Particulars	Figure as at 31st March, 2018 Rs.	Figure as at 31st March, 2016 Rs.
<b>14. LONG-TERM PROVISIONS</b>		
Provisions for Employee Benefits		
(i) Provision for Gratuity	<b>10,79,117.00</b>	14,01,335.00
(ii) Leave Encashment Payable	<b>17,69,347.00</b>	19,90,000.00
Total	<b>28,48,464.00</b>	33,91,335.00

**15. DEFERRED TAX LIABILITIES (NET)**

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

S.No. Particulars	As At 31 <sup>st</sup> March, 2018		As At 31 <sup>st</sup> March, 2017	
	Accumulated Deferred tax Assets	Accumulated Deferred tax Liability	Accumulated Deferred tax Assets	Accumulated Deferred tax Liability
1. Unabsorbed depreciation and losses	—	—	—	—
2. Amount Add back u/s 43B Bonus Payable	4,04,474.00	—	3,10,038.00	—
Leave encashment payable	4,62,748.00	—	2,86,796.00	—
Gratuity Payable	3,34,267.00	—	3,69,018.00	—
3. Difference between book and tax depreciation	—	2,19,59,955.00	—	1,38,16,419.00
Total	12,01,489.00	2,19,59,955.00	9,65,852.00	1,38,16,419.00
Net Deferred Tax Liability	2,07,58,466.00		1,28,50,567.00	

The difference Deferred Tax Assets for the year ended 31st March, 2018 Rs. 79,07,899.00 has been debited to Profit & Loss Account.

Particulars	Figure as at 31st March, 2018 Rs.	Figure as at 31st March, 2016 Rs.
<b>16. OTHER NON-CURRENT LIABILITIES</b>		
(i) Un-claimed Dividend (2010-11)	<b>1,83,218.00</b>	1,84,518.00
(ii) Un-claimed Dividend (2011-12)	<b>3,02,332.00</b>	3,03,632.00
Total	<b>4,85,550.00</b>	4,88,150.00

## THIRTY EIGHTH ANNUAL REPORT

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

Particulars	Figure as at 31st March, 2018 Rs.	Figure as at 31st March, 2017 Rs.
<b>CURRENT LIABILITIES:-</b>		
<b>FINANCIAL LIABILITIES:-</b>		
<b>17. CURRENT BORROWING</b>		
<b>(i) Secured Working Capital Loan</b>		
State Bank of India C/C A/c (Against Hypothecation of Stock)	4,10,93,229.54	1,70,22,784.04
State Bank of India Book Debts A/c (Against Hypothecation of Book Debts)	2,44,29,095.00	0.00
State Bank of India Fcnrb A/c	0.00	5,16,30,225.08
State Bank of India SLC A/c (Against Hypothecation of Stock & Book Debts)	2.00	71,37,590.50
TOTAL	<u>6,55,22,326.54</u>	<u>7,57,90,599.62</u>

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

Particulars	Figure as at 31st March, 2018 Rs.	Figure as at 31st March, 2017 Rs.
<b>18. TRADE PAYABLES</b>		
(i) Creditors for Raw Material & Stores	12,12,66,911.40	11,27,15,596.62
(ii) Creditors for Services	87,51,916.12	76,93,909.05
Total	<u>13,00,18,827.52</u>	<u>12,04,09,505.67</u>
<b>19. OTHER CURRENT LIABILITIES</b>		
(i) Statutory Liabilities	55,33,915.19	29,97,475.46
(ii) Creditors for Capital Supplies	5,74,555.60	19,52,170.00
(iii) Advance from Customers	24,39,989.00	9,69,725.00
(iv) Income Tax Payable	9,36,193.00	1,01,798.00
Total	<u>94,84,652.79</u>	<u>60,21,168.46</u>
<b>20. CURRENT PROVISIONS</b>		
<b>(i) Provisions For Employee Benefits</b>		
Gratuity Insurance Payable	13,99,595.00	11,16,107.00
Leave Encashment Payable	13,40,809.00	8,67,422.00
<b>(ii) Other Provisions</b>		
Provisions	79,11,059.60	92,06,413.98
Total	<u>1,06,51,463.60</u>	<u>1,11,89,942.98</u>

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

Particulars	Figure as at 31st March, 2018 Rs.	Figure as at 31st March, 2017 Rs.
<b>21. REVENUE FROM OPERATIONS</b>		
<b>Gross Sales</b>		
Sales Central (Coil Springs)	40,67,98,715.28	28,31,96,238.00
Sales Central (Forging Items)	7,29,47,272.00	7,56,52,738.00
Sales Central (Roofing Sheet)	24,32,552.00	0.00
Sales Central (Scrap )	35,98,833.00	30,37,668.00
Sales U. P. (Coil Springs)	14,13,31,126.00	9,99,48,837.00
Sales U. P. (Forging Items)	3,65,94,693.00	4,54,55,264.00
Sales U. P. (Round )	0.00	2,71,385.00
Sales U. P. (Roofing Sheet)	4,70,384.00	19,07,978.00
Sales H. P. (Roofing Sheet)	27,44,228.00	44,83,857.00
Sales U. P. (Scrap)	55,00,661.00	74,39,186.00
Sales H. P.(Scrap)	9,93,915.00	19,22,466.00
Sales Shop (Roofing Sheet)	15,26,094.89	21,28,201.50
Sample Sales	975.00	14,124.00
	<u>67,49,39,449.17</u>	<u>52,54,57,942.50</u>
Less: Sales Return	(1,85,146.00)	(43,40,546.00)
	Total	Total
	<u>67,47,54,303.17</u>	<u>52,11,17,396.50</u>
Less: Central Excise Duty /GST	(7,99,12,104.78)	(3,35,37,660.00)
	Total	Total
	<u>59,48,42,198.39</u>	<u>48,75,79,736.50</u>
<b>22. OTHER INCOME</b>		
Interest on S.T.D.R.	6,91,214.00	10,51,272.66
Interest on Income Tax Refund	56,659.00	8,748.00
Interest Received on L/C Negotiation (on Sales)	5,24,753.00	15,35,736.00
Input Credit of Excise Duty on Stock	9,68,713.59	0.00
Jobwork Received	2,57,812.00	1,29,000.00
Rent Received From Work Shed	30,23,840.00	6,35,806.00
	Total	Total
	<u>55,22,991.59</u>	<u>33,60,562.66</u>
<b>23. COST OF MATERIAL CONSUMED</b>		
<b>Raw Material Consumed</b>		
Opening Stock	354,82,287.89	4,34,74,443.97
Add : Purchases (Including Freight, Intt.on L/C & Entry Tax)	25,64,30,686.63	23,09,02,584.77
Less : Closing Stock	5,23,06,504.31	354,82,287.89
	Total	Total
	<u>23,96,06,470.21</u>	<u>23,88,94,740.85</u>

## THIRTY EIGHTH ANNUAL REPORT

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

Particulars	Figure as at 31st March, 2018 Rs.	Figure as at 31st March, 2017 Rs.
<b>24. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-PROCESS</b>		
<b>Inventories (At Closing)</b>		
Finished Goods	1,07,49,314.90	1,82,27,007.58
Finished Goods (Roofing Sheet)	4,56,708.91	13,53,852.72
Scrap	18,93,233.02	9,76,921.86
Stock-in-Process	6,61,73,970.60	8,47,88,879.47
	<u>7,92,73,227.43</u>	<u>10,53,46,661.63</u>
<b>Inventories (At Commencement)</b>		
Finished Goods	1,82,27,007.58	2,04,73,134.08
Finished Goods (Roofing Sheet)	13,53,852.72	16,77,946.16
Scrap	9,76,921.86	11,72,314.19
Stock-in-Process	8,47,88,879.47	6,38,27,420.34
	<u>10,53,46,661.63</u>	<u>8,71,50,814.77</u>
Total	<u>2,60,73,434.20</u>	<u>(1,81,95,846.86)</u>
<b>25. EMPLOYEES BENEFIT EXPENSES</b>		
Bonus	14,55,903.00	13,32,095.00
E.S.I.	8,04,738.00	6,96,078.00
Gratuity Insurance	15,02,339.00	11,16,107.00
Other Allowance to Staff	26,22,011.00	18,05,555.00
Incentive and Compensation	5,73,455.00	7,90,159.00
Leave Encashment	10,11,000.00	8,93,068.00
Medical Expenses	5,74,713.00	3,96,498.00
Provident Fund	27,72,531.00	25,40,747.00
Retainership Fee	1,19,000.00	51,000.00
Salary to Administrative & Sales Staff	86,45,754.00	91,41,002.00
Staff Fooding & Welfare	7,97,671.00	6,23,200.00
Staff Training Expenses	30,000.00	1,62,917.00
Total	<u>2,09,09,115.00</u>	<u>1,95,48,426.00</u>



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

Particulars	Figure as at 31st March, 2018 Rs.	Figure as at 31st March, 2017 Rs.
<b>26. FINANCE COST</b>		
Bank Interest	<b>83,49,061.08</b>	95,39,477.37
Interest on Unsecured Loan	<b>40,62,354.00</b>	32,18,028.00
Bank Interest on L/C Negotiation (On Purchase)	<b>8,14,335.00</b>	15,02,905.00
Total	<b><u>1,32,25,750.08</u></b>	<u>1,42,60,410.37</u>
<b>27. DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation	<b>1,93,78,526.82</b>	1,65,92,507.90
Total	<b><u>1,93,78,526.82</u></b>	<u>1,65,92,507.90</u>
<b>28. MANUFACTURING EXPENSES</b>		
Electric Power & Fuel	<b>4,70,68,389.30</b>	4,66,31,046.98
Consumable Stores Consumed	<b>2,86,48,677.41</b>	1,72,48,237.92
Freight & Cartage	<b>71,652.00</b>	65,156.00
Generator Repairing & Maintenance	<b>4,85,912.20</b>	2,40,074.39
Jobwork Paid	<b>1,06,30,998.30</b>	89,37,871.00
Lab.expenses	<b>18,953.74</b>	37,223.00
Fooding & Labour Welfare	<b>7,52,851.15</b>	7,41,678.00
Machinery Maintenance	<b>1,11,65,242.79</b>	70,41,497.78
Wages & Salary	<b>2,49,45,209.00</b>	3,09,67,605.00
Watch & Ward	<b>25,36,018.00</b>	18,29,658.00
Weight & Measurement	<b>12,770.00</b>	11,040.00
Electrical Maintenance	<b>19,76,148.04</b>	5,39,797.51
Total	<b><u>12,83,12,821.93</u></b>	<u>11,42,90,885.58</u>

## THIRTY EIGHTH ANNUAL REPORT

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

Particulars	Figure as at 31st March, 2018 Rs.	Figure as at 31st March, 2017 Rs.
<b>29. OTHER EXPENSES</b>		
<b>(a) Administrative Expenses</b>		
Audit Fee (Statutory)	1,00,000.00	1,00,000.00
Audit Fee (Internal)	1,00,000.00	1,09,500.00
Audit Fee (Stock)	15,000.00	20,000.00
Audit Fee (Vat)	6,000.00	5,000.00
Bank Charges	49,37,878.90	45,09,615.75
Board Meeting Expenses	1,50,814.00	96,573.00
Building Repair & Maintenance	4,81,215.62	53477.00
Business Promotion	10,27,076.79	1,91,602.14
Car Running Expenses	6,46,142.19	3,87,010.68
Certification Fee	32,285.00	53,200.00
Computer Expenses	3,27,290.72	4,13,828.00
Conveyance	16,46,504.00	14,47,146.00
Demarage & Other Deduction	80,34,381.00	62,97,648.60
Donation	13,700.00	1,17,800.00
Festival And New Year Expenses	8,84,262.06	9,00,454.37
Guest House Expenses	5,75,538.51	550362.92
Hire Charges On Vehicle	7,64,709.67	4,12,637.00
ISO (ISO-9002) Certificate Expenses	20,813.00	62,622.00
Inspection Charges	54,946.00	57,347.00
Insurance	7,96,510.59	7,75,327.50
Interest On Service Tax / Excise / TDS	6,237.00	2,490.00
Internet Expenses	1,30,594.01	1,43,263.00
Legal Expenses	1,61,036.00	1,68,824.00
Licence Fee (Factory Act & Others)	37,541.50	19,725.00
Loss on Sale of Car / Plant & Machinery	5,06,933.57	1,06,009.00
Membership Fee	1,25,029.00	1,34,199.85
Misc.expenses	1,22,380.58	1,19,585.44
News Paper & Periodicals	17,536.00	53,013.00
Office Maintenance	6,88,616.44	5,90,525.00
Pooja Expenses	39,146.00	19,377.00
Postage & Stamp	2,68,086.00	1,42,826.00
Printing & Stationery	4,65,186.58	5,89,103.00
Professional Charges	6,61,250.00	4,61,171.00
Purchase Tax	0.00	777.00
Rates & Taxes	97,529.35	2,99,564.00
Registration & Filing Fee	54,510.00	42,400.00

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

Particulars	Figure as at 31st March, 2018 Rs.	Figure as at 31st March, 2017 Rs.
Shop Rent	3,52,918.00	5,62,480.00
Shop Maintenance	93,458.15	44,987.30
Sales Tax Expenses	57,833.00	0.00
Share Connectivity/ Maint. charges	1,06,562.81	98,339.00
Share/ Stock Listing Fee	2,59,000.00	2,27,000.00
Sundry Balance W/Off	8,061.46	2,157.69
Telephone Expenses	5,89,083.00	7,59,820.92
Travelling Expenses	13,64,749.58	11,27,681.20
Director Travelling Expenses	12,16,723.41	14,59,324.93
Foreign Travelling Expenses	6,79,560.73	20,98,679.03
Vehicle Repair & Maintenance	5,95,268.76	3,91,571.00
Total	<u>2,93,19,898.98</u>	<u>2,62,26,045.32</u>
<b>(b) Payment to Directors</b>		
Director's Remuneration	1,17,40,000.00	74,40,000.00
Contribution to National Pension Scheme	9,80,000.00	4,80,000.00
Director's Sitting Fee	2,50,000.00	1,60,000.00
Incentive to Director	52,22,453.00	2183675.00
Leave Encashment to Director	10,50,000.00	6,20,000.00
Leave Travelling Concesion to Director	2,00,000.00	0.00
Perquisites to Director	1,77,547.00	2,16,325.00
Total	<u>1,96,20,000.00</u>	<u>1,11,00,000.00</u>
<b>(c) Selling &amp; Distribution Exp.</b>		
Advertisement & Publication	6,16,646.00	6,13,835.00
Central Sales Tax	42,58,789.00	1,39,78,527.00
Commission	67,95,841.81	37,07,890.00
Freight & Cartage Outward	1,48,30,151.17	1,09,15,375.50
Packing Material Consumed	1,88,64,150.42	72,64,934.07
Sample	99,646.00	1,44,167.00
Service Tax on Freight	1,35,598.00	5,01,545.75
Tender Fees	1,72,835.00	89,191.00
Value Added Tax (Vat)	32,01,587.39	77,75,632.46
Total	<u>489,75,244.79</u>	<u>4,49,91,097.78</u>
Total (a+b+c)	<u>9,79,15,143.77</u>	<u>8,23,17,143.10</u>

## THIRTY EIGHTH ANNUAL REPORT

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

Particulars	Figure as at 31st March, 2018 Rs.	Figure as at 31st March, 2017 Rs.
<b>28.1 &amp; 29.1 Value Of Power, Furnace Oil, Diesel Oil, Gas, Stores And Packing Material Consumed</b>		
<b>Power And Fuel:-</b>		
Electric Power used	3,23,16,805.00	3,50,16,512.00
Furnace Oil Consumed	1,00,80,248.68	77,34,222.62
Diesel for Generator Consumed	46,71,335.62	38,80,312.36
Total	<u>4,70,68,389.30</u>	<u>4,66,31,046.98</u>
<b>(i) Furnace Oil Consumed</b>		
Opening Stock	3,00,957.43	1,32,389.00
Add : Purchase (Including freight & entry tax)	1,04,96,286.25	79,02,791.05
Less : Closing Stock	7,16,995.00	3,00,957.43
Total	<u>1,00,80,248.68</u>	<u>77,34,222.62</u>
<b>(ii) Diesel For Generator Consumed</b>		
Opening Stock	1,59,220.26	2,33,301.82
Add : Purchase (Including freight & entry tax)	46,79,287.20	38,06,230.80
Less : Closing Stock	1,67,171.84	1,59,220.26
Total	<u>46,71,335.62</u>	<u>38,80,312.36</u>
<b>(iii) Consumable Stores Consumed</b>		
Opening Stock	1,67,37,669.52	16330672.57
Add : Purchase	2,54,48,356.49	17655234.87
Less : Closing Stock	1,35,37,348.60	16737669.52
Total	<u>2,86,48,677.41</u>	<u>17248237.92</u>
<b>(iv) Packing Material Consumed</b>		
Opening Stock	20,47,589.63	27,67,125.00
Add : Purchase	1,79,82,769.95	65,45,398.70
Less : Closing Stock	11,66,209.16	20,47,589.63
Total	<u>1,88,64,150.42</u>	<u>72,64,934.07</u>

**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018**
**29.2 PAYMENT TO STATUTORY AUDITORS :**

<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Audit fee	<b>Rs. 1,00,000.00</b>	Rs. 1,00,000.00
Service Tax / GST	<b>18,000.00</b>	15,000.00
Income Tax fee	<b>Nil</b>	Nil
Management Consultancy fee	<b>Nil</b>	NIL

**29.3 EXPENDITURE IN FOREIGN CURRENCY:**

	<b>2017-18</b>	<b>2016-17</b>
Foreign Travelling Expenses	<b>Rs. 6,79,560.73</b>	Rs. 20,98,679.03

**30. EARNING PER SHARE (EPS)**

	<b>2017-18</b>	<b>2016-17</b>
N/P after tax available for Share holder	<b>Rs. 3,56,31,524.97</b>	Rs. 2,13,57,215.22
Weighted average No. of equity share outstanding during the year	<b>Nos. 39,38,511</b>	Nos. 39,38,511
Basic/Diluted earning per share	<b>Rs. 9.05</b>	Rs. 5.42

**31. EARNING IN FOREIGN CURRENCY:**

	<b>2017-18</b>	<b>2016-17</b>
Export Sales	—	—
FCNRB Demand Loan from SBI	—	Rs. 5,16,30,225.08

**32. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND**

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

	<b>2017-18 (Final Dividend)</b>	<b>2016-17 (Final Dividend)</b>
a) Number of Non Resident Shareholders	—	—
b) Number of Equity Shares held by them	—	—
c) (i) Amount of Dividend Paid (Gross) (₹ in)	—	—
(ii) Tax Deducted at Source (₹ in)	—	—

## THIRTY EIGHTH ANNUAL REPORT

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

#### 33. Related party disclosure :

Related Party	Relationship	Nature of transaction	Value (Amount Rs.)	Amount outstanding Receivable/Payable
Mr. Kundan Lal Bhatia	Key Management Person	Remuneration, LTC, Perquisites, E. Leave & Incentive	27,50,000.00	Cr. 3,00,000.00
Mr. Kapil Bhatia	Key Management Person	Remuneration, Perquisites, E. Leave ,Contribution to NPS & Incentive	51,70,000.00	Cr.2,02,451.51
Mr. Neeraj Bhatia	Key Management Person	Remuneration, Perquisites, E. Leave , Contribution to NPS & Incentive	51,70,000.00	Cr. 5,28,365.98
Smt. Mamta Bhatia	Key Management Person	Remuneration, E. Leave , Contribution to NPS & Incentive	31,60,000.00	Cr. 1,98,707.53
Smt. Manju Bhatia	Key Management Person	Remuneration, E. Leave, Contribution to NPS & Incentive	31,20,000.00	Cr. 4,18,001.27
Mr. Kapil Bhatia	Key Management Person	Interest on Deposits	7,72,101.00	Cr.55,83284..00
Mr. Neeraj Bhatia	Key Management Person	Interest on Deposits	8,54,303.00	Cr. 60,45,808.00
Smt. Mamta Bhatia	Key Management Person	Interest on Deposits	4,49,301.00	Cr.31,89,766.00
Smt. Manju Bhatia	Key Management Person	Interest on Deposits	5,05,270.00	Cr.35,12,323.00
M/s Vishpa Rail Equipments Pvt. Ltd.	Associate Concern	Interest on Deposits	14,80,789.00	Cr.1,33,69,054.00
M/s N.W.F.P. Equipments Pvt. Ltd.	Associate Concern	Payment of Deposits	1,31,25,000.00	NIL
M/s Frontier Alloy Steels Ltd	Associate Concern	Sales	4,14,11,170.00	Dr. 80,50,184.00
M/s Frontier Alloy Steels Ltd	Associate Concern	Jobwork Recd.	2,47,092.00	NIL
M/s Frontier Alloy Steels Ltd	Associate Concern	Purchase	6,96,672.00	NIL
M/s Frontier Engineering Corporation	Associate Concern	Jobwork Recd.	10,720.00	NIL
M/s Frontier Engineering Corporation	Associate Concern	Purchase	43,622.00	NIL
M/s Frontier Industries	Associate Concern	Land Purchase	68,88,000.00	NIL
M/s Vishpa Rail Equipments Pvt. Ltd.	Associate Concern	Rent Recd.	1,25,000.00	NIL
M/s Vishpa Rail Equipments Pvt. Ltd.	Associate Concern	Jobwork Paid	75,58,558.00	NIL
M/s P.C. Packagers	Associate Concern	Purchase	1,28,14,996.08	NIL
M/s P.C. Packagers	Associate Concern	Rent Recd.	58,850.00	NIL

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

<b>Remuneration :</b>	<b>2017-2018</b>	<b>2016-2017</b>
Chairman & Managing Directors	<b>18,00,000.00</b>	18,00,000.00
Other Directors	<b>99,40,000.00</b>	56,40,000.00
<b>Incentives :</b>		
Chairman & Managing Directors	<b>6,00,000.00</b>	6,00,000.00
Other Directors	<b>46,22,453.00</b>	15,83,675.00
<b>Perquisites :</b>		
Chairman & Managing Directors	<b>NIL</b>	NIL
Other Directors	<b>1,77,547.00</b>	2,16,325.00
<b>Leave Travel Concession :</b>		
Chairman & Managing Directors	<b>2,00,000.00</b>	NIL
Other Directors	<b>NIL</b>	NIL
<b>Foreign Travelling Allowance :</b>		
Chairman & Managing Directors	<b>NIL</b>	NIL
Other Directors	<b>NIL</b>	NIL
<b>Earn Leave :</b>		
Chairman & Managing Directors	<b>1,50,000.00</b>	1,50,000.00
Other Directors	<b>9,00,000.00</b>	4,70,000.00
<b>Contribution to National Pension Scheme :</b>		
Chairman & Managing Directors	<b>NIL</b>	NIL
Other Directors	<b>9,80,000.00</b>	4,80,000.00

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

	<b>2017-18</b>	<b>2016-17</b>
i. Licensed Capacity (As certified by the management)	<b>Not Applicable</b>	Not Applicable
ii. Installed Capacity (As certified by the management)	<b>7400 Mt. per annum on single shift of eight hour (5000 Mt. Coil spring, Leaves Spring &amp; 1200 Mt. Forging items &amp; 1200 Mt. Roofing Sheet)</b>	7400 Mt. per annum on single shift of eight hour (5000 Mt. Coil spring, Leaves Spring & 1200 Mt. Forging items & 1200 Mt. Roofing Sheet)
iii. Production in Nos.	<b>2,84,130.00</b>	4,59,015
iv. Production in Sq. Meter	<b>11,178</b>	22,447

## THIRTY EIGHTH ANNUAL REPORT

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

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

Class of Goods	U/N	31.03.2018		31.03.2017	
		Qty.	Amount	Qty.	Amount
Coil Springs Leaf Springs & Foreign items	Nos.	2,88,609	66,75,81,044.28	4,59,389	51,25,97,360.00
Roofing Sheets	Sq. Mt.	12,762	71,73,258.89	19,003	85,20,036.50
Total			67,47,54,303.17		52,11,17,396.50

#### Notes :-

The value of sales is stated :-

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

#### ii) Quantitative details of Raw Materials Consumed :

Particulars	U/n	31.03.2018		31.03.2017	
		Qty.	Amount (Rs.)	Qty.	Value (Rs.)
a) Indigenous Springs Steel Round Billet & Bar	Mt.	4,247.494	23,49,08,791.87	4,525.449	23,23,73,857.75
b) Coil Sheet	Mt.	71.527	46,97,678.34	100.280	65,20,883.10
c) Imported		Nil	Nil	Nil	Nil
Total			23,96,06,470.21		23,88,94,740.85

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

	2017-18	2016-17
Raw Materials imported	Nil	Nil
Raw Materials Indigenous	100%	100%
Spare Parts & Sets (Indigenous)	100%	100%



**iv. Quantitative details of finished goods**

Particulars	2017-18 Nos.	2016-17 Nos.
Opening Stock (in Nos.)	12,457	12,831
Opening Stock (in Sq. Meter)	3,444	NIL
Closing Stock (in Nos.)	7,978	12,457
Closing Stock (in Sq. Meter)	1,860	3,444
Turnover (in Nos.)	2,88,609	4,59,389
Turnover (in Sq. Meter)	12,762	19,003

**Notes :-**

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

As per our Report of even date.

For SANJEEVANI RAIZADA & CO.

*Chartered Accountants*

Firm Registration No. 021960C

SANJEEVANI RAIZADA

*Proprietor*

Membership No. 414542

Place : Kanpur

Date : 28.05.2018

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*





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



## Frontier Springs Ltd.

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