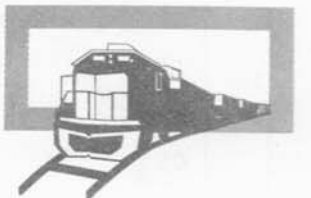
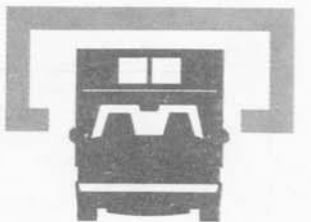


# Frontier



**FRONTIER  
SPRINGS LIMITED**

# FRONTIER SPRINGS LIMITED

## ANNUAL REPORT 2010-2011

### BOARD OF DIRECTORS

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

### COMPANY SECRETARY

Shri DEEPAK BHASIN

### AUDITORS

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

### BANKERS

STATE BANK OF INDIA  
INDUSTRIAL FINANCE BRANCH,  
SARVODAYA NAGAR, KANPUR – 208005 (U.P.)

### REGISTRAR AND SHARE TRANSFER AGENT

M/s. ALANKIT ASSIGNMENT LIMITED  
205-208, ANARKALI MARKET  
JHANDEWALAN EXTENSION  
NEW DELHI-110 055

### REGISTERED OFFICE

E-14, PANKI INDUSTRIAL AREA, SITE-1  
PANKI, KANPUR-208 022  
Website : <http://www.frontiersprings.co.in>

### PLANTS

- i) KM 25/4, KALPI ROAD, RANIA,  
KANPUR DEHAT - 209 304 (U.P.)
- ii) 91/2, VILLAGE KUNJA, NEAR DENTAL COLLEGE  
PAONTA SAHIB (H.P.)
- iii) E-14, PANKI INDUSTRIAL AREA  
SITE-I, KANPUR – 208022 (U.P.)

### CONTENTS

	Page No.
Notice of AGM	2
Directors' Report	7
Corporate Governance Certificate	8
Management Discussion & Analysis	10
Report on Corporate Governance	11
Auditors' Report	19
Balance Sheet	22
Profit & Loss Account	23
Schedules to the Accounts	24
Notes forming part of Accounts	33
Cash Flow Statement	43

## THIRTYFIRST ANNUAL REPORT

### NOTICE

NOTICE is hereby given that the Thirty First Annual General Meeting of the Members of FRONTIER SPRINGS LIMITED will be held on Friday, 30th September, 2011 at 12.30 p.m. at the Hotel Royal Cliff Opp. Moti Jheel Gate No.1, Kanpur-208 002 to transact the following businesses :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 and Profit and Loss Account for the financial year ended on that date together with Directors' and Auditors' Report thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2011.
3. To appoint a Director in place of Shri. Neeraj Bhatia who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. Pradeep K Goenka who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri. Yashpal who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, and to fix their remuneration, and for the purpose, to consider, and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution;  
"RESOLVED THAT pursuant to the provisions of Section 224 of the Companies Act, 1956, M/s Sanjay Nandani & Co., Chartered Accountants, Kanpur, the retiring Auditors be and are hereby reappointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company."

### SPECIAL BUSINESS

7. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :  
"RESOLVED THAT Shri. Narinder Pal Singh who was appointed under Section 260 of the Companies Act, 1956 as an additional director of the Company w.e.f. 14.05.2011 and who holds office till this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, whose period of office is liable to retire by rotation."
8. To consider and, if thought fit, to pass, with or with-

out modifications, the following resolution as an Ordinary Resolution :

"RESOLVED THAT Shri. Ramesh Narayan Trivedi who was appointed under Section 260 of the Companies Act, 1956 as an additional director of the Company w.e.f. 14.05.2011 and who holds office till this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, whose period of office is liable to retire by rotation."

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

"RESOLVED THAT Smt. Mamta Bhatia who was appointed under Section 260 of the Companies Act, 1956 as an additional director of the Company w.e.f. 14.05.2011 and who holds office till this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, whose period of office is liable to retire by rotation."

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

"RESOLVED THAT pursuant to section 198, 269, 309 and read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to necessary approval of shareholders, consent of the company be and is hereby accorded for the appointment of Smt. Mamta Bhatia Director of the Company with effect from 14<sup>th</sup> May, 2011 for a period of three years up to 13<sup>th</sup> May, 2014 including payment of remuneration on the terms and conditions set out below, with liberty to the Board of Directors to alter and vary the terms and conditions, not exceeding the limit specified under Schedule XIII of the Companies Act, 1956 or any statutory modification or re-enactment thereof :

**SALARY** : Rs 120,000 per month.

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

#### PART - A

- (i) **Housing** – The expenditure incurred by the Company on Gas, Electricity, water & furniture subject to maximum of Rs. 25,000/- p.m. and shall be valued as per Income-Tax Rules, 1962.
- (ii) **Medical Reimbursement** – Expenses incurred for self and family subject to a ceiling of one month's

salary per year to three months salary in a block of three years.

- (iii) **Leave Travel Concession** – Actual amount incurred in respect of leave travel for proceeding to any place in India for self and family once in a year shall be reimbursed, subject to ceiling of Rs 200,000/- (Rupees Two Lacs) per annum. The entitlement for one year to the extent not availed shall be allowed to be accumulated up to next two years.
- (iv) **Entertainment expenses and other business expenses** – Reimbursement of entertainment, travelling including foreign travel and all other expenses if any, actually and properly incurred for the business of the Company. Including reimbursement of travelling expenses of the family accompanying the Director on any official trip.
- (v) **Club fee** : Reimbursement of fees of clubs subject to maximum of four clubs. No admission and life membership fees will be paid.
- (vi) **Personal Accident Insurance** : Premium not to exceed Rs.4000/- per annum.

#### **PART – B**

- (i) Contribution to (a) Provident Fund (b) Super Annuation Fund or Annuity fund as per Company's rules. These will not be included in the computation of the ceiling on perquisites to the extent either singly or put together are not taxable under the Income Tax Act, 1961.
- (ii) Gratuity, not exceeding half month's salary for each completed year of service.

#### **PART – C**

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

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

#### **INCENTIVE**

In addition to salary and perquisites as above, the Director shall without any further approval of the Remuneration Committee, Board of Directors and shareholders of the Company as the case may be, also be entitled to incentive from the period commencing from 14th May, 2011, to be determined in consultation with her at the end of each quarter in the financial year provided that the aggregate amount of remuneration by way of salary,

perquisites and incentive as above shall be subject to ceiling of Rs. 15,00,000/- per annum (Rupees Fifteen Lacs) as remuneration in accordance with maximum limit of remuneration as may be permitted under Section II (A) of Part II of Schedule XIII to the Companies Act, 1956.

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

#### **MINIMUM REMUNERATION**

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

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

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

“RESOLVED THAT Smt. Sonia Bhatia who was appointed under Section 260 of the Companies Act, 1956 as an additional director of the Company w.e.f. 14.05.2011 and who holds office till this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, whose period of office is liable to retire by rotation.”

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

“RESOLVED THAT pursuant to section 198, 269, 309 and read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to necessary approval of shareholders, consent of the company be and is hereby accorded for the appointment of Smt. Sonia Bhatia, Director of the Company with effect from 14<sup>th</sup> May, 2011 for a period of three years up to 13<sup>th</sup> May, 2014 including payment of remuneration on the terms and conditions set out below, with liberty to the Board of Directors to alter and vary the terms and conditions, not exceeding the limit specified under Schedule XIII of the Companies Act, 1956 or any statutory modification or re-enactment thereof :

## THIRTYFIRST ANNUAL REPORT

- SALARY** : Rs 100,000 per month.  
**PERQUISITES** : In addition to the salary, the Director shall be entitled to following perquisites categorized in three Parts A, B & C as follows :

### PART - A

- (vii) **Housing** – The expenditure incurred by the Company on Gas, Electricity, water & furniture subject to maximum of Rs. 25,000/- p.m. and shall be valued as per Income-Tax Rules, 1962.
- (viii) **Medical Reimbursement** – Expenses incurred for self and family subject to a ceiling of one month's salary per year to three months salary in a block of three years.
- (ix) **Leave Travel Concession** – Actual amount incurred in respect of leave travel for proceeding to any place in India for self and family once in a year shall be reimbursed, subject to ceiling of Rs 200,000/- (Rupees Two Lacs) per annum. The entitlement for one year to the extent not availed shall be allowed to be accumulated up to next two years.
- (x) **Entertainment expenses and other business expenses** – Reimbursement of entertainment, travelling including foreign travel and all other expenses if any, actually and properly incurred for the business of the Company including reimbursement of travelling expenses of the family accompanying the Director on any official trip.
- (xi) **Club fee** : Reimbursement of fees of clubs subject to maximum of four clubs. No admission and life membership fees will be paid.
- (xii) **Personal Accident Insurance** : Premium not to exceed Rs.4000/- per annum.

### PART – B

- (iii) Contribution to (a) Provident Fund (b) Super Annuation Fund or Annuity fund as per Company's rules. These will not be included in the computation of the ceiling on perquisites to the extent either singly or put together are not taxable under the Income Tax Act, 1961.
- (iv) Gratuity, not exceeding half month's salary for each completed year of service.

### PART – C

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

The Director shall be entitled to leave with pay for a

period not exceeding one month for every eleven months of services besides casual and sick leave. However, leave accumulated but not availed of will be allowed to be encashed.

### INCENTIVE

In addition to salary and perquisites as above, the Director shall without any further approval of the Remuneration Committee, Board of Directors and shareholders of the Company as the case may be, also be entitled to incentive from the period commencing from 14th May, 2011, to be determined in consultation with her at the end of each quarter in the financial year provided that the aggregate amount of remuneration by way of salary, perquisites and incentive as above shall be subject to ceiling of Rs. 15,00,000/- per annum (Rupees Fifteen Lacs) as remuneration in accordance with maximum limit of remuneration as may be permitted under Section II (A) of Part II of Schedule XIII to the Companies Act, 1956.

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

### MINIMUM REMUNERATION

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

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

*Registered Office* :  
E-14, Panki Industrial Area,  
Site-1, Panki,  
Kanpur-208022  
Dated : 10.08.2011

By order of the Board  
(DEEPAK BHASIN)  
*Company Secretary*

### NOTES :

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy in order to be effective must be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
- The Explanatory Statement pursuant to Section

173(2) of the Companies Act, 1956 in respect of Special Business under item nos. 7 to 12 is annexed here-with.

- The Register of Members and the Share Transfer Books of the Company will be closed from 24th September to 30th September 2011 (both dates inclusive) for the purpose of payment of dividend. The dividend, if declared, will be paid on or after 5th October, 2011 but within the statutory time limit of 30 days, to those Members entitled thereto whose names appear in the Register of Members of the Company as on 24th September 2011. In respect of shares held in dematerialized form in the Depository System, dividend thereon will be paid to the beneficial owners as per the list to be provided by the Depositories.
- Members holding shares in identical order of names in more than one folio are requested to write to the Company, enclosing the Share Certificates for consolidation of their holding into one folio.
- Members holding Shares in physical form may write to the Company for change in their address, if any, under their signature clearly quoting their folio numbers, old address along with the changed address with Pin Code, and Members holding Shares in electronic form may inform any change in address to their Depository Participants.
- Members holding Shares in electronic form are requested to provide their Client-ID and DP-ID numbers at the meeting for easy identification.
- Members desirous of obtaining any information/clarification concerning the Accounts and Operation of the Company are requested to address their queries in writing to the Company Secretary at least seven days before the Annual General Meeting, so that the desired information may be made available at the Annual General Meeting, if the Chairman permits to do so.
- The Shares of the Company are compulsorily tradable in demat form. The equity Shares of the Company have been assigned ISIN INE572D01014. Members are requested to get their Shares dematerialized at the earliest to make them tradable.
- Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956 as amended, read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules 2001, dividend which remains unpaid or unclaimed for a period of 7(seven) years will be transferred to the Investor Education and Protection Fund. Shareholders/Investors who have not encashed the dividend warrant(s) so far are requested to make their claim by specifying their Folio No./DP ID and Client ID to the Secretarial Department, E-14, Panki Industrial Area Site-I, Kanpur 208022 (U.P.) Shareholders are requested to please note that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim shall lie in respect thereof.
- Corporate Members intending to send their Authorized Representative to attend the Meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- The relevant details in respect of Director seeking appointment and reappointment pursuant to Clause 49 of the Listing Agreement are enclosed herewith marked as Annexure 'A' to this Notice.

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

##### **Item No. 7**

Shri Narinder Pal Singh was appointed on 14.05.2011 as an Additional Director of the Company under Section 260 of the Companies Act, 1956. He holds office till this Annual General Meeting. A notice u/s 257 of the Companies Act, 1956 has been received from a member of the Company proposing the candidature of Shri. Narinder Pal Singh as Director of the Company.

The Board also considers that it would be in the interest of the Company to have Shri. Narinder Pal Singh on the Board of the Company for his valuable contribution and members are requested to pass the said resolution as an Ordinary resolution.

Save and except Shri Narinder Pal Singh himself, none of the other Directors is, in any way, concerned or interested in the proposed resolution.

##### **Item No. 8**

Shri Ramesh Narayan Trivedi was appointed on 14.05.2011 as an Additional Director of the Company under Section 260 of the Companies Act, 1956. He holds office till this Annual General Meeting. A notice u/s 257 of the Companies Act, 1956 has been received from a member of the Company proposing the candidature of Shri. Ramesh Narayan Trivedi as Director of the Company.

The Board also considers that it would be in the interest of the Company to have Shri. Ramesh Narayan Trivedi on the Board of the Company for his valuable contribution and members are requested to pass the said resolution as an Ordinary resolution.

Save and except Shri Ramesh Narayan Trivedi himself, none of the other Directors is, in any way, concerned or interested in the proposed resolution.

## THIRTYFIRST ANNUAL REPORT

### Item Nos. 9 & 10

Smt. Mamta Bhatia was appointed on 14.05.2011 as an Additional Director of the Company under Section 260 of the Companies Act, 1956. She holds office till this Annual General Meeting. A notice u/s 257 of the Companies Act, 1956 has been received from a member of the Company proposing the candidature of Smt. Mamta Bhatia as Whole Time Director of the Company. Smt. Mamta Bhatia is a graduate and has a vast experience as a commercial tax / law advisor. Smt. Mamta Bhatia has also served the Company as Manager Commercial from 31st August, 2010 till 13th May, 2011. It is now proposed to appoint Smt. Mamta Bhatia as Whole Time Director of the Company on the remuneration payable after obtaining shareholders approval for her appointment with effect from 14th May, 2011. The remuneration payable to Smt. Mamta Bhatia is within the permissible limits specified in Schedule XIII of the Companies Act, 1956, which has been duly approved by remuneration committee and the Board of directors in their meetings held on 14.05.2011 respectively. The management believes that the proposed remuneration is comparable with respect to industry, size of the Company, profile of the position and person and is commensurate with the responsibility being shouldered in the Company and the size and extent of business operation.

The Board also considers that it would be in the interest of the Company to have Smt. Mamta Bhatia on the Board of the Company for her valuable contribution and members are requested to pass the said resolutions as an Ordinary resolution.

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

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

### Item Nos. 11 & 12

Smt. Sonia Bhatia was appointed on 14.05.2011 as an Additional Director of the Company under Section 260 of the Companies Act, 1956. She holds office till this Annual General Meeting. A notice u/s 257 of the Companies Act, 1956 has been received from a member of the Company proposing the candidature of Smt. Sonia Bhatia as Whole Time Director of the Company. Smt. Sonia Bhatia is a graduate and has a vast experience as a marketing and sales promotion advisor. It is now proposed to appoint Smt. Sonia Bhatia as Whole Time Director of the Company on the remuneration payable after obtaining shareholders approval for her appointment with effect from 14th May, 2011. The remuneration payable to Smt. Sonia Bhatia is within the permissible limits specified in Schedule XIII of the Companies Act, 1956, which has been duly approved by remuneration committee and the Board of directors in their meetings held on 14.05.2011 respectively. The management believes that the proposed remuneration is comparable with respect to industry, size of the Company, profile of the position and person and is commensurate with the responsibility being shouldered in the Company and the size and extent of business operation.

The Board also considers that it would be in the interest of the Company to have Smt. Sonia Bhatia on the Board of the Company for her valuable contribution and members are requested to pass the said resolutions as an Ordinary resolution.

None of the Directors, other than Smt. Sonia Bhatia, herself and Smt. Sushma Bhatia may be considered to be interested in the passing of the proposed resolutions.

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

*Registered Office :*  
E-14, Panki Industrial Area,  
Site-1, Panki,  
Kanpur-208022  
Dated : 10.08.2011

By order of the Board  
(DEEPAK BHASIN)  
*Company Secretary*

## DIRECTORS' REPORT

Dear Shareholders,

Your directors have pleasure in presenting the Thiry First Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2011.

### FINANCIAL RESULTS

Particulars	2010-11	2009-10
	<i>(Rs. in Lacs)</i>	
Turnover	<b>4600.90</b>	3638.90
Profit Before Int., Dep., & Tax	<b>774.92</b>	561.47
Interest	<b>45.32</b>	41.84
Depreciation	<b>100.84</b>	53.67
Profit/(Loss) Before Tax	<b>628.75</b>	465.97
Income Tax :		
Current year Tax	<b>(131.78)</b>	(125.63)
Fringe Benefit Tax	<b>0.00</b>	0.00
Deferred Tax	<b>1.19</b>	(42.68)
Income Tax for earlier year	<b>(0.25)</b>	(1.12)
Profit/(Loss) After Tax	<b>497.91</b>	296.53
Profit/(Loss) B/f from P.Y.	<b>633.79</b>	337.27
Balance available for appropriation	<b>1131.70</b>	633.28
General Reserve	<b>100.00</b>	—
Proposed Dividend	<b>39.39</b>	—
Profit/(Loss) transferred to Reserves & Surplus	<b>992.31</b>	633.79

### OPERATIONS

The operation of the Company during the financial year under review improved with turnover of Rs. 4600.90 Lacs as against Rs. 3638.90 Lacs in preceding year. The net profit during the year was higher at Rs. 497.91 Lacs as against Rs. 296.53 Lacs in the preceding year despite increase in the input cost. The improvement in the turnover had been mainly on account of improvement in the operational efficiency.

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

### DIVIDEND

Your Directors take pleasure in recommending equity dividend of Rs.1 (10%) per share of Rs. 10 face value (on the paid-up equity share capital) for the approval of the members for the financial year 2010-2011. The dividend, if approved, at the 31st Annual General Meeting by the members, will be paid to all those equity shareholders whose names appear in the Register of Members as on 24th September, 2011, and also to those, whose names, as beneficial owners, are furnished by

the National Securities Depository Limited and the Central Depository Services (India) Limited.

### EXPANSION

Your company is in the process of setting of a forging plant at its own land and building at E-14, Panki Industrial Area, Site-I, Kanpur in the vicinity of Kanpur District in the State of Uttar Pradesh for manufacturing of forging items for supply to Indian Railways and other Heavy Industries that would add to the profitability of the company in near future. The Company will install two hammer capacity of 3 Ton & 2 Ton each with total production capacity of 300 Mt p.m. The company has invested Rs. 140.00 Lacs till date. The company will further invest Rs. 110.00 Lacs more on plant and machinery & testing facility in the said forging unit.

### DIRECTORS

Pursuant to the provisions of the Companies Act, 1956 and Articles of the Association of the Company, Shri. Neeraj Bhatia, Shri. P.K. Goenka and Shri Yashpal, Directors of the Company retire from the Board by rotation and being eligible they have offered themselves for re-appointment.

Smt. Mamta Bhatia, Smt. Sonia Bhatia, Shri. N.P. Singh and Sh. R.N. Trivedi who were appointed under Section 260 of the Companies Act, 1956 as an additional directors of the Company w.e.f. 14.05.2011 and who hold office till this Annual General Meeting and in respect of them the Company has received a notice under Section 257 of the Companies Act, 1956 proposing their candidature for the office of Director.

### AUDITORS

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

### AUDITORS' REPORT

#### Explanation to point (1)

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

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

#### Explanation to point (2)

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



## THIRTYFIRST ANNUAL REPORT

### PARTICULARS OF EMPLOYEES

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

### DIRECTORS RESPONSIBILITY STATEMENT

In the term of the Section 217(2AA) of the Companies, 1956, the Directors of the company state in respect of the year ended 31st March, 2011 that: -

- (a) That in preparation of Annual Account, the applicable Accounting Standards have been followed along with proper explanation relating to material departure.
- (b) That they have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the Financial year and of the Profit of the Company for that year.
- (c) That they have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provision of the Companies Act, 1956, for safeguarding the Assets of the Company and for preventing and detecting the fraud and other irregularities.
- (d) That they have prepared Annual Accounts on going concern basis.

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

As per the requirements of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure

of Particulars in the Report of Board of Directors) Rules, 1988, the particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are annexed hereto-forming part of this Report.

### CORPORATE GOVERNANCE

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

### LISTING INFORMATION

The Company's Shares are presently listed at 'The U. P. Stock Exchange Ltd.', Kanpur, being the Regional Stock Exchange, as well as the BSE Ltd., Mumbai. The de-listing certificate from Calcutta Stock Exchange is awaited. The Listing fees to the Stock Exchanges have been paid up to date.

### ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board

Place : Kanpur

K. L. BHATIA

Date : 10.08.2011

*Chairman and Managing Director*

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,  
The Members of Frontier Springs Limited,

We have examined all the relevant records of Frontier Springs Limited ("The Company") for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges for the Financial year ended 31st March, 2011.

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

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

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

For S. K. GUPTA & CO.  
*Company Secretaries*

Place : Kanpur

Date : 10.08.2011

S. K. GUPTA  
*Managing Partner*  
FCS 2589

**ANNEXURE-I**

**INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES, 1988 FOR THE YEAR ENDED 31ST MARCH, 2011.**

**I. CONSERVATION OF ENERGY**

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

- |  |   |
|--|---|
| (a) Energy Conservation Measures Taken   | Optimum utilization of Heat treatment furnace.<br>The Company is also pursuing for an Agreement with Gas Authority of India (GAIL) for supply of CNG for its plant situated at Rania, which will not only reduce the energy consumption but will also help in preserving and maintaining ecological balance and promoting environmental protection.<br>The company has entered into an agreement with Central UP Gas Limited for supply of CNG at its new plant situated at Kanpur and has also installed gas base furnaces at the plant. |
| (b) Additional Investment and proposals, If any, being implemented for reduction of consumption of energy. | The Company is constantly on the watch for if any, being implemented for reduction for various modes and areas of conservation of consumption of energy. Energy investments, therefore, will be considered after identification of such areas.  |
| (c) Impact of the measures taken above   | The Adoption of energy conservation measures as mentioned above have resulted in substantial saving of energy and has consequently caused a reduction in the cost of goods produced.  |
| (d) Total energy consumption and energy consumption per unit of production                                 | As the Company is not engaged in any Scheduled industry, the detail relating to conservation in the prescribed Form 'A' being inapplicable is not given.  |

**FORM 'B'**

**II. TECHNOLOGY ABSORPTION RESEARCH & DEVELOPMENT**

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

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

**(b) Expenditure on R & D**

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

**(c) Technology Absorption, Adaptation and Innovation**

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

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

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

Keeping in view the prospects and demand of Indian

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

(III) *Technology Imported – NIL*

**FOREIGN EXCHANGE EARNING AND OUTGO**

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

*(Rs. in Lacs)*

	<b>Current Period</b>	Previous Period
	<b>(2010-11)</b>	(2009-10)

a) Foreign Exchange Earnings	NIL	4.43
b) Foreign Exchange Outgo	68.40	10.11

Place : Kanpur  
Date : 10.08.2011

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE & DEVELOPMENTS

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

### OPPORTUNITIES & THREATS

During the year under review, the Company has procured some profitable orders from Indian Railways, 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.

High level of steel production in foreign countries has resulted in additional outflow of support ingredients. Keeping this in view, the Company is making continuous efforts to develop new export market and expand the existing ones. SEIMENS, Berlin has approved our manufacturing facilities of springs, for their switch gears production. The Company believes that over a period of time, its thrust on exports will yield good results.

### PRODUCTWISE PERFORMANCE

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

### RISKS AND CONCERNS

Currently, the Company perceives the following main business risks:

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

- b) Pressure on selling price due to increase in competition.

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

### OUTLOOK

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

### INTERNAL CONTROL SYSTEM AND ADEQUACY

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

### HUMAN RESOURCE

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

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

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

## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

The Company aims at achieving transparency, accountability and equity in all facets of its operations on a continuous basis and in all interactions with the stakeholders, including the shareholders, employees, government, lenders and other constituents while fulfilling the role of a responsible corporate representative committed to good corporate practices. The Company is committed to achieve the good standards of Corporate Governance on a continuous basis by laying emphasis on ethical corporate citizenship and establishment of good corporate cultures which aim at true Corporate Governance. The Corporate Governance process and systems have gradually strengthened over the years. The Company believes, all its operations and actions must result in enhancing the overall shareholder value in terms of maximization of shareholder's benefits, among others, over a sustained period of time.

### BOARD OF DIRECTORS

#### Composition of the Board (F.Y. 2010-11) :

Name of Director (s)	Designation	Category	No. of Shares held in the Company	Share as a percentage of total number of Shares
Sh. Kundan Lal Bhatia	Chairman & Managing Director	Promoter/ Executive	130090	3.30
Sh. Kapil Bhatia	Managing Director	Promoter/ Executive	50728	1.29
Sh. Neeraj Bhatia	Whole Time Director	Promoter/ Executive	41705	1.06
Smt. Sushma Bhatia	Whole Time Director	Promoter/ Executive	95782	2.43
Sh. Prem Sagar	Director	Independent	Nil	Nil
Sh. Pradeep K. Goenka	Director	Independent	Nil	Nil
Sh. R. K. Bhatia	Director	Independent	Nil	Nil
Sh. Yashpal	Director	Independent	Nil	Nil
Smt. Mamta Bhatia *	Additional Director	Promoter/ Executive	37938	0.96
Smt. Sonia Bhatia*	Additional Director	Promoter/ Executive	69840	1.77
Sh. Ramesh Narayan Trivedi*	Additional Director	Independent	500	0.012
Sh. Narinder Pal Singh*	Additional Director	Independent	Nil	Nil

\* Appointed as Additional Directors w.e.f. 14.05.2011

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

Name of Director	Attendance Particulars		Number of other Directorships <sup>1</sup> and Committee Membership/ Chairmanship		
	No. of Board Meeting	Last AGM Attended	Other Directorship	Committee Membership	Committee Chairmanship
K. L. Bhatia	4	YES	1	–	–
Kapil Bhatia	4	YES	–	–	–
Neeraj Bhatia	3	YES	–	–	–
Sushma Bhatia	4	YES	–	–	–
Prem Sagar	4	YES	1	3	3
Pradeep K. Goenka	4	YES	3	5	3
R. K. Bhatia	2	YES	–	–	–
Yashpal	4	YES	–	–	–
Mamta Bhatia	N/A	No	–	–	–
Sonia Bhatia	N/A	No	–	–	–
Ramesh Narayan Trivedi**	N/A	No	1	4	1
Narinder Pal Singh**	N/A	No	–	–	–

## THIRTYFIRST ANNUAL REPORT

1 Number of Directorship excludes Directorship in private limited companies.

\*\* Appointed as a member of the Audit Committee, Investors' Grievances' Committee and Remuneration Committee of the Company on 14.05.2011.

### Details of Board Meetings held during the year 2010-2011 :

Date of Meeting	No. of Directors Present
12.05.2010	6
12.08.2011	8
10.11.2010	7
11.02.2011	8

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

The last AGM was held on 30.09.2010.

### AUDIT COMMITTEE

#### Terms of reference

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

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

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

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

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

Reviewing of the adequacy of internal audit function.

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

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

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

Reviewing the Company's financial and risk management policies.

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

#### Composition, Number of Meetings and Attendance

Name	Position	Category	Attendance during the year 2010-11
Shri P. K. Goenka	Chairman	Independent and Non Executive Director	4
Shri Yashpal	Member	Independent and Non Executive Director	4
Shri R. K. Bhatia	Member	Independent and Non Executive Director	2
Shri Ramesh Narayan Trivedi#	Member	Independent and Non Executive Director	N/A
Shri. Narinder Pal Singh#	Member	Independent and Non Executive Director	N/A

# Appointed as a member of the Audit Committee w.e.f. 14.05.2011

The Company Secretary acts as Secretary to the Audit Committee. During the year 2010-11 the Committee met four times on 12th May, 2010, 12th Aug, 2010, 10th Nov, 2010 and 11th Feb 2011 respectively.

### REMUNERATION COMMITTEE

#### Terms of reference

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

**Composition, Number of Meetings and Attendance**

Name	Position	Category	Attendance during the year 2010-11
Shri Yashpal	Chairman	Independent and Non Executive Director	1
Shri P. K. Goenka	Member	Independent and Non Executive Director	1
Shri R. K. Bhatia	Member	Independent and Non Executive Director	1
Shri Ramesh Narayan Trivedi#	Member	Independent and Non Executive Director	N/A
Shri Narinder Pal Singh#	Member	Independent and Non Executive Director	N/A

# Appointed as a member of Remuneration Committee w.e.f. 14.05.2011

The Company Secretary acts as Secretary to the Remuneration Committee. During the year 2010-2011, the Committee met once on 12th Aug, 2010.

The details of remuneration paid to all Directors during the year 2010-11 :

Sr. No.	Name of Director	Remuneration (Rs. in lacs)			
		Sitting Fees	Salary	Perquisites	Incentive
1.	Shri K. L. Bhatia	—	18.00	0.86	5.14
2.	Shri Kapil Bhatia	—	15.00	1.62	7.38
3.	Shri Neeraj Bhatia	—	15.00	1.62	7.38
4.	Smt. Sushma Bhatia	—	12.00	1.10	—
5.	Shri Yashpal	0.20	—	—	—
6.	Shri Pradeep K. Goenka	0.20	—	—	—
7.	Shri Prem Sagar	0.20	—	—	—
8.	Shri R. K. Bhatia	0.12	—	—	—

**INVESTORS' GRIEVANCE COMMITTEE**
**Terms of reference**

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

**Composition and Attendance at the meeting**

Name	Position	Category	Attendance during the year 2010-11
Shri Yashpal	Chairman	Independent and Non Executive Director	4
Shri Pradeep K. Goenka	Member	Independent and Non Executive Director	4
Shri R. K. Bhatia	Member	Independent and Non Executive Director	2
Shri Ramesh Narayan Trivedi#	Member	Independent and Non Executive Director	N/A
Shri. Narinder Pal Singh #	Member	Independent and Non Executive Director	N/A

# Appointed as a member of Investors' Grievances' Committee w.e.f. 14.05.2011

The Company Secretary acts as Secretary to the Investors' Grievance Committee. During the year 2010-11 the Committee met four times on 12th May, 2010, 12th Aug, 2010, 10th Nov, 2010 and 11th Feb 2011 respectively.

## THIRTYFIRST ANNUAL REPORT

### CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT

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

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

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

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

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

I hereby confirm that :

The Company has obtained from all the members of the Board and Senior Management / Officers of the Company, affirmation that they have complied with the 'Code of Business Conduct and Ethics' for Directors and Senior Management / Officers in respect of the financial year 2010-2011.

K. L. Bhatia

*Chairman & Managing Director*

### CEO/CFO CERTIFICATION

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

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

For Frontier Springs Limited

Place : Kanpur

(Kundan Lal Bhatia)

(Neeraj Bhatia)

Date : 10.08.2011

*Chairman & Managing Director*

*Chief Financial Officer*

**GENERAL BODY MEETINGS**

Last three Annual General Meetings :

No. of AGM & F.Y.	Date & Time	Location	Special Resolution(s) Passed
28th AGM 2007-2008	31-07-08 At 12.30 P.M.	E-14, Panki Industrial Area Site-I , Kanpur - 02	No special resolution was passed
29th AGM 2008-2009	31-07-09 at 12.30 p.m.	E-14, Panki Industrial Area Site-I , Kanpur - 02	No special resolution was passed
30th AGM 2009-2010	30-09-10 at 12.30 p.m.	E-14, Panki Industrial Area Site-I , Kanpur - 02	(1) Increase in Remuneration payable to Executive Directors of the Company. (2) Appointment of Manager Commercial under provisions of section 314 of the Companies Act, 1956.

**POSTAL BALLOT**

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

**DISCLOSURES**

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

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

**DETAILS OF SHAREHOLDERS' COMPLAINTS DURING THE YEAR 2010-2011**

The total numbers of complaints/ queries received and replied to the satisfaction of shareholders during the year 2010-2011 were 80. There were no outstanding complaint/ queries as on 31st March 2011.

There were no pending share transfers in physical as well as in Demat category. All the requests received up to 31st March 2011 for share transfer have been processed within stipulated time.

**COMPLIANCE OFFICER**

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

**SHARE TRANSFER AGENTS**

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

**NOMINATION FACILITY**

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

**DEMATERIALIZATION OF SHARES AND LIQUIDITY**

The shares of the Company are under the category of compulsory delivery in dematerialized mode by all categories of investors. The shares are available for trading with both the depositories namely, National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2011, over 57.81% of the shares of the Company are already dematerialized. The status of the equity shares of the Company is furnished below :

Total No. of Equity Shares	:	3938511
Total No. of Shareholders	:	4972



## THIRTYFIRST ANNUAL REPORT

### RECONCILIATION OF SHARE CAPITAL AUDIT

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

### DISTRIBUTION OF HOLDING

The table below shows the distribution of shareholding of various groups as on March 31, 2011

Shares holding value of		Shareholders						Shares Amount				
Rs.	Rs.	Physical Number	NSDL Number	CSDL Number	Total Number	%	Physical (in Rs.)	NSDL (in Rs.)	CSDL (in Rs.)	Total (in Rs.)	%	
1	to 5000	2948	1146	364	4458	89.662	4501300	2032650	620440	7154390	18.165	
5001	to 10000	80	129	42	251	5.048	707600	1144850	364190	2216640	5.628	
10001	to 20000	25	51	16	92	1.85	347400	811540	245700	1404640	3.566	
20001	to 30000	9	37	6	52	1.046	235000	949220	141820	1326040	3.367	
30001	to 40000	8	5	4	17	0.342	289000	179970	139790	608760	1.546	
40001	to 50000	5	8	3	16	0.322	234000	380160	141010	755170	1.917	
50001	to 100000	14	10	5	29	0.583	924400	755230	378890	2058520	5.227	
100001	to ABOVE	27	26	4	57	1.146	9377300	14011260	472390	23860950	60.584	
		3116	1412	444	4972	100.00	16616000	20264880	2504230	39385110	100.00	

The table below shows the distribution of promoter and non-promoter shareholding as on March 31, 2011

Category	No. of share held	Percentage of Holding
<b>A. Promoter's Holding</b>	2036315	51.703
<b>B. Non Promoter's Holding</b>		
<b>I. Institutional Investors</b>		
Financial Institutions / Banks	400	0.01
<b>II. Others</b>		
Bodies Corporate	282791	7.18
Individuals	1600567	40.639
Non Resident Indians	18438	0.468
<b>GRAND TOTAL</b>	3938511	100

### STOCK PRICE DATA

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)	Spread High-Low	Spread Close-Open
Apr-10	35.50	38.50	26.25	31.25	104424	1272	3616135	12.25	-4.25
May-10	27.00	38.70	24.00	32.30	119388	1136	3968800	14.7	5.3
Jun-10	32.00	37.50	25.50	33.00	39261	559	1254555	12	1
Jul-10	33.00	41.90	26.00	33.75	366830	2492	13786820	15.9	0.75
Aug-10	30.55	47.95	28.00	38.85	241061	1674	9684955	19.95	8.3
Sep-10	40.80	82.80	38.15	72.30	944524	5938	61762155	44.65	31.5
Oct-10	75.90	79.90	65.95	67.05	133767	1081	9695719	13.95	-8.85
Nov-10	67.00	80.00	58.00	64.85	130293	1144	9514035	22	-2.15
Dec-10	64.40	68.00	55.15	61.65	41838	481	2554622	12.85	-2.75
Jan-11	63.00	65.65	50.70	52.00	30774	403	1845045	14.95	-11
Feb-11	54.70	64.25	45.20	58.45	43605	341	2470541	19.05	3.75
Mar-11	52.55	54.65	44.50	50.00	88435	540	4320980	10.15	-2.55

**DISSEMINATION OF INFORMATION**

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

**MEANS OF COMMUNICATION**

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

**GENERAL SHAREHOLDERS INFORMATION**

<b>31st Annual General Meeting</b>	
<b>Day, Date, Time and Venue</b>	Friday, 30th September, 2011 at 12.30 p.m. at the Hotel Royal Cliff, Opp. Moti Jheel Gate No.1, Kanpur
<b>Dates of Book Closure</b>	From 24th September to 30th September 2011 (both days inclusive)
<b>Dividend payment date</b>	The dividend, if declared, will be paid on or after 5th October, 2011 but within the statutory time limit of 30 days
<b>Registered Office</b>	E-14, Panki Industrial Area Site-I, Kanpur-2080 22 U.P.
<b>Plant Location</b>	- KM 25/4, Kalpi Road, Rania, Kanpur Dehat. - Village Kunja, Near Dental College, Paonta Sahib, (H.P.) - E-14, Panki Industrial Area Site-I, Kanpur-2080 22 (U.P.)
<b>Compliance Officer</b>	Shri Deepak Bhasin- Company Secretary Tele: (0512) 2691207, ( 0512) 2691208 Fax: (0512) 2691209 Email ID: c.s@frontiersprings.co.in, Website: www.frontiersprings.co.in
<b>Share Transfer Agent</b>	M/s ALANKIT ASSIGNMENTS LIMITED 205-208, Anarkali Market, Jhandewalan Extension, New Delhi – 110 055. Email : lalitap@alankit.com
<b>Share Transfer System</b>	The Share transfers in physical form are presently processed and the Share Certificates returned within a period of 25 days from the date of receipt, if the documents being valid and complete in all respects.
<b>Tentative dates for considering Financial Results</b>	Quarter ending June 30, 2011 – 2nd week of August 2011 Quarter ending September 30, 2011 – 2nd week of November 2011 Quarter ending December 31, 2011 – 2ndweek of February 2012 For the year ending March 31, 2012 – 3rd week of May 2012
<b>Listing on Stock Exchanges &amp; Stock Code</b>	STOCK CODE BSE : 522195 1. BSE Limited, PJ Towers, Dalal Street, Fort, Mumbai - 400 001 2. U.P. Stock Exchange Limited, Kanpur (Regional Stock Exchange) 14/113, Civil Lines, Padam Tower, Kanpur-208 001
<b>Listing fee</b>	Listing fees for the year 2011-2012 has been paid to the stock exchanges, within the stipulated period, where the equity shares of the Company are listed. Delisting Certificate from Calcutta Stock Exchange is awaited.
<b>ISIN No</b>	INE572D01014 for NSDL and CDSL.

## ANNEXURE 'A'

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

<b>Name of Director</b>	Mr. Neeraj Bhatia	Mr. Pradeep K. Goenka	Mr. Yashpal
<b>Date of Birth</b>	10.9.1967	15.09.1954	1.4.1934
<b>Date of Re-Appointment</b>	31.07.2007	31.07.2008	31.07.2008
<b>Expertise in specific functional areas</b>	Eminent industrialist with wide business experience	Wide experience in Accounts and Finance	Wide experience in Administration
<b>Qualifications</b>	Bachelor Degree in Commerce	Chartered Accountant	Ret. I.A.S.
<b>Directorship held in other public companies (excluding foreign companies)</b>	NIL	1. Kanpur Plastipack Ltd. 2. Ganesh Polytex Ltd. 3. Abhyuday Infrastructures Ltd.	NIL
<b>Shareholdings in the Company</b>	Ordinary Shares-41705	NIL	NIL

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

<b>Name of Director</b>	Smt. Mamta Bhatia	Smt. Sonia Bhatia	Sh. Ramesh Narayan Trivedi	Sh. Narinder Pal Singh
<b>Date of Birth</b>	27.09.1966	13.01.1973	07.02.1948	05/06/1943
<b>Date of Appointment</b>	14.05.2011	14.05.2011	14.05.2011	14/05/2011
<b>Expertise in specific functional areas</b>	Wide experience as a commercial/tax law advisor	Expertise in Marketing	Wide experience in Administration & Finance	Wide experience in Production & Sales
<b>Qualifications</b>	Graduate	Graduate	Ret. I.A.S.	B.E. (Mechanical)
<b>Directorship held in other public companies (excluding foreign companies)</b>	NIL	NIL	1. Coal India Limited	NIL
<b>Shareholdings in the Company</b>	Ordinary Shares-37938	Ordinary Shares-69840	Ordinary Shares-500	NIL

## AUDITORS' REPORT

Auditors' Report to the Members of Frontier Springs Limited

We have audited the attached Balance Sheet of Frontier Springs Limited as at 31.03.2011, the annexed Profit & Loss Account and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

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

report comply with the applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ;

- v) On the basis of written representations received from the Directors, as on 31/03/2011 and taken on record by the Board of directors, we report that none of the director is prima facie disqualified as on 31/03/2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting Policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) Balance of sundry debtors, sundry creditors and sundry advances are subject to confirmation from respective parties (referred note no. 2 of 'Schedule -P' of Note on Accounts).
  - ii) Inventory of finished goods are valued at net realisable value (referred point no. B of 'Schedule-P' of significant Accounting policies).

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

- a) In the case of Balance Sheet, of the state of affairs of the Company as at 31/03/2011;
- b) In the case of Profit & Loss Account, of the profit for the year ended on that date.

And

- c) In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

Sanjay Nandani & Co.  
229, IInd Floor,  
City Centre, The Mall,  
Kanpur  
Date : 10.08.2011

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

## THIRTYFIRST ANNUAL REPORT

### ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph III of the Auditor's Report to the Shareholders of Frontier Springs Limited on the financial statement for the year ended 31st March, 2011.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) Physical verification of Fixed Assets has been conducted by the management at the end of the year, to the best of our knowledge, no serious discrepancies have been noticed on verification.
- (c) No fixed Assets except Car have been disposed off and sale of which does not affect the Concept of going Concern.
2. (a) The stocks of Finished Goods, Stores, Spare Parts & Raw Materials have been physically verified during the year by the management. In our opinion, frequency of verification is reasonable. The Company is maintaining proper records of inventory.
- (b) In our opinion, procedures of physical verification of stocks followed by management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The discrepancies noticed on verification between the physical stocks and books records were not significant.
3. The Company has not granted any loan secured or unsecured to Companies, firm or other parties listed in the register maintained under Sec.301 of the Companies Act, 1956 during the year, however during the year, the Company has accepted deposits amounting to Rs. 69,60,000.00 from one party listed in the register maintained under Section 301 of the Companies Act, 1956 and has repaid to 23 nos. of parties amounting Rs. 75,27,765.00 (Rs.5,87,422.00 towards interest and Rs. 69,40,343.00 towards principal). In our opinion rate of interest and other terms and conditions of Loans taken by the Company are not prima-facie prejudicial to the interest of the Company. Further, payment of the principal amount and interest are also regular.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of Inventory and Fixed assets and for the sales of Goods. There are no continuing failures to correct major weaknesses on internal control system.
5. According to the information and explanations provided by the management, we are in the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered. It has been further explained and informed to us by the Company that all the transaction are made at cash on prevailing market prices.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business
8. According to the explanation and information given to us, maintenance of cost records has not been prescribed by the Central Government under Section 209 (1)(d) of the Companies Act, 1956 in respect to the business of the Company.
9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees State Insurance, Excise Duty, Service tax, Income tax, Sales tax and any other statutory dues have been generally regularly deposited with the appropriate authorities within the stipulated time except some delay in deposit of T.D.S., Excise, & Service Tax. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at the last day of financial year concerned for a period of more than six months from the date they become payable.
- (b) The disputed statutory dues aggregating Rs. 2.19 lacs, that have not been deposited on account of disputed matters pending before appropriate authorities are as under :

Sl. No.	Name of Statute	Nature of dues	Amount (in Lacs)	Period to which the amount relates	Forum where dispute is pending
1.	Central sales tax Act, 1956 and Sales tax Act of U.P.	Penalty	2.19	2000-01 2001-02	High Court Allahabad
2.	U.P. Commercial Tax	Security	3.30	2010-11	Joint Commissioner Commercial Tax, Kanpur

10. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current year and in the immediately preceding financial year.
11. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank.
12. In our opinion and according to the information and explanation given to us, The Company has not granted any loans and advances on the basis of security by way of pledge of share, debentures and other security.
13. In our opinion, the Company is not a Chit Fund or a Nidhi/Mutual Benefit, Fund/ Society, therefore clause 4(xiii) of the Companies (Auditors Report) order, 2004 is not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments.
15. In our opinion and according to the information & explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The Company is utilising term loan facility from State Bank of India for Plant & Machinery including Car Hire Purchase loan as found by us and as explained and informed to us.
17. According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to any parties or Companies.
19. No debentures have been issued during the year.
20. No public issue has been made during the year.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Sanjay Nandani & Co.  
229, IInd Floor,  
City Centre, The Mall,  
Kanpur  
Date : 10.08.2011

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

## THIRTYFIRST ANNUAL REPORT

### BALANCE SHEET AS ON 31ST MARCH, 2011

	Schedule No.	Current Year Rs.	Previous Year Rs.
<b>I. SOURCES OF FUNDS</b>			
<b>1. Shareholders' Funds :</b>			
(A) Share Capital	A	<b>3,96,32,110.00</b>	3,96,32,110.00
(B) Reserves And Surplus	B	<b>13,12,59,920.38</b>	8,54,07,360.28
<b>2. Loan Fund :</b>			
Secured Loan	C	<b>3,79,74,874.34</b>	3,83,90,369.09
Unsecured Loan	D	<b>83,00,000.00</b>	82,08,371.00
<b>3. Deferred Tax Liabilities (Net)</b>			
		<b>81,69,711.00</b>	82,89,053.00
	Total	<b><u>22,53,36,615.72</u></b>	<u>17,99,27,263.37</u>
<b>II APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets :</b>			
Gross Block	E	<b>16,54,30,378.00</b>	14,99,36,173.62
Less : Depreciation		<b>5,72,37,795.24</b>	4,73,85,864.38
Net Block		<b>10,81,92,582.76</b>	10,25,50,309.24
Capital Work In Progress		<b>79,82,560.00</b>	13,94,550.73
Pre-operative Expenses		<b>18,996.00</b>	0.00
<b>2. Investments :</b>			
Investments ( At Cost)	F	<b>44,43,825.06</b>	38,56,054.59
<b>3. Current Assets, Loans And Advances :</b>			
(A) Inventory	G	<b>5,66,72,753.48</b>	5,00,86,132.16
(B) Sundry Debtors		<b>7,20,75,339.40</b>	6,85,19,020.70
(C) Cash And Bank Balances		<b>1,78,57,884.03</b>	75,55,284.36
(D) Other Current Assets		<b>8,81,222.96</b>	12,29,779.00
(E) Loans & Advances		<b>1,37,03,631.97</b>	55,26,410.26
		<b>16,11,90,831.84</b>	13,29,16,626.48
<b>Less : Current Liabilities &amp; Provisions</b>			
(A) Current Liabilities	H	<b>4,43,43,712.77</b>	4,89,71,867.23
(B) Provisions		<b>1,21,48,467.17</b>	1,18,18,410.44
<b>4. Net Current Assets</b>			
		<b>10,46,98,651.90</b>	7,21,26,348.81
<b>5. Miscellaneous Expenditure (To The (Extent Not Written Off or Adjusted)</b>			
	I	<b>0.00</b>	0.00
	Total	<b><u>22,53,36,615.72</u></b>	<u>17,99,27,263.37</u>

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

For SANJAY NANDANI & CO.  
*Chartered Accountants*  
SANJAY MALHOTRA  
*Partner*

Place : Kanpur  
Date : 10.08.2011

For and on behalf of Board of Directors

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

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	Schedule No.	Current Year Rs.	Previous Year Rs.
<b>INCOME</b>			
Gross Sales	J	<b>46,00,90,867.00</b>	36,38,90,895.00
Less : Central Excise Duty		<b>3,05,20,174.00</b>	2,55,46,955.00
Net Sales		<b>42,95,70,693.00</b>	33,83,43,940.00
Increase/(Decrease) In Inventories	K	<b>(13,12,524.42)</b>	21,96,001.34
Other Income	L	<b>22,13,829.22</b>	11,73,741.50
Total Income		<b>43,04,71,997.80</b>	34,17,13,682.84
<b>Expenditure :</b>			
Raw Material Consumed	M	<b>20,80,17,214.66</b>	17,00,91,339.86
Manufacturing Expenses	N	<b>7,43,38,287.92</b>	5,72,28,073.59
Administrative Expenses	O	<b>2,83,24,314.24</b>	1,90,65,879.70
Interest Charges	P	<b>45,32,481.00</b>	41,84,081.00
Personnel Expenses	Q	<b>1,11,48,264.48</b>	83,27,127.47
Selling & Distribution Expenses	R	<b>3,11,51,855.54</b>	3,05,62,555.74
Depreciation		<b>1,00,84,310.86</b>	53,66,319.41
Deferred Revenue Expenditure		<b>0.00</b>	2,91,548.00
Total Expenses		<b>36,75,96,728.70</b>	29,51,16,924.77
Profit Before Tax		<b>6,28,75,269.10</b>	4,65,96,758.07
Provision For Current Tax		<b>(1,31,78,080.00)</b>	(1,25,63,473.00)
Provision For Deferred Tax		<b>1,19,342.00</b>	(42,68,532.00)
Income Tax Refund/(Paid) For Earlier Year		<b>(25,460.00)</b>	(1,12,099.00)
Profit After Tax		<b>4,97,91,071.10</b>	2,96,52,654.07
Add : Balance B/F From Previous Year		<b>6,33,79,360.28</b>	3,37,26,706.21
Balance Available For Appropriations		<b>11,31,70,431.38</b>	6,33,79,360.28
Appropriations			
General Reserve		<b>1,00,00,000.00</b>	0.00
Proposed Dividend on Equity Shares		<b>39,38,511.00</b>	0.00
Balance Carried to Balance Sheet		<b>9,92,31,920.38</b>	6,33,79,360.28

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

For SANJAY NANDANI & CO.  
Chartered Accountants  
SANJAY MALHOTRA  
Partner

Place : Kanpur  
Date : 10.08.2011

For and on behalf of Board of Directors

K. L. BHATIA  
Chairman & Managing Director

DEEPAK BHASIN  
Company Secretary

KAPIL BHATIA  
Managing Director



## THIRTYFIRST ANNUAL REPORT

### SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2011

	Current Year Rs.	Previous Year Rs.
<b>SCHEDULE A : CAPITAL</b>		
<b>1. 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	<u>5,10,00,000.00</u>	<u>5,10,00,000.00</u>
<b>2. ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
39,38,511 Equity Shares of Rs. 10/- each (Including 12,57,500 Shares issued as bonus)	3,93,85,110.00	3,93,85,110.00
49,400 Share Forfeiture (Paid up Rs. 5/- only)	2,47,000.00	2,47,000.00
Total	<u>3,96,32,110.00</u>	<u>3,96,32,110.00</u>
<b>SCHEDULE B : RESERVES &amp; SURPLUS</b>		
<b>(A) Capital Reserve :</b>		
<b>(B) Securities Premium Reserve ;</b>		
(On 22,27,500 Equity Shares of Rs.10/- Each Per Share Including Premium Received @ Rs. 5/- on 49,400 Shares Forfeited	2,20,28,000.00	22028000.00
<b>(C) General Reserve :</b>		
As Per Last Balance Sheet	0.00	0.00
Add : Transfer From Profit And Loss Account	1,00,00,000.00	0.00
	<u>1,00,00,000.00</u>	<u>0.00</u>
<b>(D) Profit &amp; Loss Account</b>		
Total	<u>9,92,31,920.38</u>	<u>6,33,79,360.28</u>
Total	<u>13,12,59,920.38</u>	<u>8,54,07,360.28</u>
<b>SCHEDULE C : SECURED LOAN</b>		
State Bank of India C/C A/C (Against Hypothecation of Stock)	1,92,61,607.00	1,89,80,656.09
State Bank of India B/D A/C (Against Hypothecation of Book-debts)	1,01,21,612.00	63,40,737.00
State Bank of India Term Loan (Paonta Sahib) A/C (Against Hypothecation of Plant & Machinery)	40,73,070.00	1,21,65,482.00
H.D.F.C. (USB) Bank Ltd. Car Loan A/C	5,61,393.34	0.00
Kotak Mahindra Prime Ltd. Car Loan	5,40,535.00	9,03,494.00
State Bank of India (Car) Term Loan A/C	24,15,616.00	0.00
State Bank of India (Car) Term Loan A/C (All Car Loan Against Hypothecation of Cars)	10,01,041.00	0.00
Total	<u>3,79,74,874.34</u>	<u>3,83,90,369.09</u>

**SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31.03.2011**

	Current Year Rs.	Previous Year Rs.
<b>SCHEDULE D : UNSECURED LOANS</b>		
<b>A) Deposits From Share Holders</b>		
Ridhu Bhatia Beneficiary Trust	0.00	5,14,784.00
Ridhu Bhatia Marriage Beneficiary Trust	0.00	5,05,547.00
Shantanu Bhatia Beneficiary Trust	0.00	7,97,880.00
Shantanu Bhatia Marriage Beneficiary Trust	0.00	2,74,545.00
Vansika Bhatia Beneficiary Trust	0.00	5,19,411.00
Vansika Bhatia Marriage Beneficiary Trust	0.00	4,98,257.00
Yasihma Bhatia Marriage Beneficiary Trust	0.00	4,94,968.00
Yasihma Bhatia Beneficiary Trust	0.00	4,86,806.00
Chandan Shyama Bhatia HUF	0.00	1,16,829.00
K.L. Chandan Bhatia HUF	0.00	2,31,531.00
K.L. Chandan Manu Bhatia HUF	0.00	2,27,071.00
K.L. Manu Bhatia HUF	0.00	1,21,644.00
K.L. Shyama Bhatia HUF	0.00	1,21,644.00
K.L. Shyama Chandan Bhatia HUF	0.00	1,17,916.00
K.L. Shyama Manu Bhatia HUF	0.00	1,17,916.00
Kapil Kamla Bhatia HUF	0.00	1,97,324.00
Neeraj Kamla Bhatia HUF	0.00	2,03,676.00
P.C. Kamla Bhatia HUF	0.00	2,33,240.00
P.C. Kamla Kapil Bhatia HUF	0.00	230,077.00
P.C. Kamla Neeraj Bhatia HUF	0.00	2,33,473.00
P.C. Kapil Bhatia HUF	0.00	2,38,426.00
P.C. Kapil Neeraj Bhatia HUF	0.00	2,33,240.00
P.C. Neeraj Bhatia HUF	0.00	2,24,138.00
	<u>0.00</u>	<u>69,40,343.00</u>
<b>B) Inter-corporate Deposits</b>		
Vishpa Rail Equipments Pvt. Ltd.	<b>83,00,000.00</b>	12,68,028.00
Total	<b><u>83,00,000.00</u></b>	<u>82,08,371.00</u>

## SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

### SCHEDULE 'E' OF FIXED ASSETS

Name of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as on 01.04.2010 Rs.	Addition during the year Rs.	Trf. /Adjustment during the year Rs.	Total as on 31.3.2011 Rs.	Upto 31.03.2009 Rs.	For the Year Rs.	Trf. / Adjustment For year Rs.	Total as on 31.03.2011 Rs.	Balance as on 31.03.2011 Rs.	Balance as on 31.03.2010 Rs.
Land	1,79,50,747.02	6,84,845.00		<b>1,86,35,592.02</b>	0.00	0.00	0.00	<b>0.00</b>	<b>1,86,35,592.02</b>	1,79,50,747.02
Building	2,43,65,065.84	34,31,339.63		<b>2,77,96,405.47</b>	50,32,926.39	8,69,976.91	0.00	<b>59,02,903.30</b>	<b>2,18,93,502.17</b>	1,93,32,139.45
Plant & Machinery	8,22,74,591.15	19,82,687.00		<b>8,42,57,278.15</b>	3,50,51,999.62	66,99,707.54	0.00	<b>4,17,51,707.16</b>	<b>4,25,05,570.99</b>	4,72,22,591.53
Tools Moulds & Rolls (Iron)	27,21,772.00	90,610.00		<b>28,12,382.00</b>	9,08,290.62	3,16,308.65	0.00	<b>12,24,599.27</b>	<b>15,87,782.73</b>	18,13,481.38
Generator	26,55,000.00	0.00		<b>26,55,000.00</b>	1,76,979.14	2,11,639.50	0.00	<b>3,88,618.64</b>	<b>22,66,381.36</b>	24,78,020.86
Lab & Testing Equipments	29,07,319.75	15,20,145.00		<b>44,27,464.75</b>	1,51,007.45	3,45,435.36	0.00	<b>4,96,442.81</b>	<b>39,31,021.94</b>	27,56,312.30
Office Equipments	11,54,439.00	5,81,438.00		<b>17,35,877.00</b>	79,520.80	72,622.79	0.00	<b>1,52,143.59</b>	<b>15,83,733.41</b>	10,74,918.20
Electric Equipments	18,47,736.00	3,86,099.75		<b>22,33,835.75</b>	45,320.31	1,13,741.08	0.00	<b>1,59,061.39</b>	<b>20,74,774.36</b>	18,02,415.69
Furniture & Fixture	26,04,151.26	3,05,022.00		<b>29,09,173.26</b>	19,85,969.37	1,79,422.95	0.00	<b>21,65,392.32</b>	<b>7,43,780.94</b>	6,18,181.89
Vehicles	93,69,607.60	69,77,547.00	6,45,107.00	<b>1,57,02,047.60</b>	32,20,448.80	9,15,564.46	2,32,380.00	<b>39,03,633.26</b>	<b>1,17,98,414.34</b>	61,49,158.80
Computer	20,85,744.00	1,79,578.00		<b>22,65,322.00</b>	7,33,401.88	3,59,891.62	0.00	<b>10,93,293.50</b>	<b>11,72,028.50</b>	13,52,342.12
<b>Total</b>	<b>14,99,36,173.62</b>	<b>1,61,39,311.38</b>	<b>64,5,107.00</b>	<b>16,54,30,378.00</b>	<b>4,73,85,864.38</b>	<b>1,00,84,310.86</b>	<b>2,32,380.00</b>	<b>5,72,37,795.24</b>	<b>10,81,92,582.76</b>	<b>10,25,50,309.24</b>
Previous Year	9,12,23,094.19	6,12,78,558.43	25,65,479.00	14,99,36,173.62	4,23,01,336.97	53,66,319.41	2,81,792.00	4,73,85,864.38	10,25,50,309.24	0.00

#### Capital Work In Progress :

Building Work In Progress	17,52,064.00
Plant & Machinery Work In Progress	45,95,620.00
Plant & Machinery In Transit	16,34,876.00
<b>Total</b>	<u>79,82,560.00</u>

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2011**

	Current Year Rs.	Previous Year Rs.
<b>SCHEDULE F : INVESTMENTS</b>		
<b>(A) Investment In Preference Shares :</b>		
Frontier Alloy Steels Ltd.	8,00,000.00	8,00,000.00
<b>(B) Investment In Equity Shares :</b>		
Chariot Auto Accessories Ltd.	3,00,000.00	3,00,000.00
S.B.I.	79,810.00	79,810.00
I.D.B.I.	48,750.00	48,750.00
Idea-IPO	17,250.00	17,250.00
Indian Hotels	50,781.00	0.00
B.E.M.L.	1,76,593.33	1,46,642.01
B.H.E. L.	3,32,386.52	3,32,386.52
Bharti Airtel Ltd.	68,030.29	68,030.29
H.C.L.Technologies	32,371.38	32,371.38
I.F.C.I.	1,45,968.14	38,929.99
Infosys	1,27,661.56	1,27,661.56
M.R.P.L.	40,280.00	40,280.00
NTPC Ltd.	70,382.68	70,382.68
Omaxe Ltd.	1,24,940.67	1,24,940.67
Reliance Communication Ltd.	54,635.96	54,635.96
Reliance Infrastructure Ltd	43,110.41	43,110.41
Reliance Industries Ltd.	2,89,454.71	2,89,454.71
Reliance Power Ltd.	89,271.48	89,271.48
Tata Motors	1,47,742.92	1,47,742.92
Tata Power	32,673.26	32,673.26
Tata Steels Ltd.	42,115.11	42,115.11
Wire And Wireless (India) Ltd.	29,615.64	29,615.64
<b>(C) Investment In Mutual Fund :</b>		
S.B.I.PSU Fund	5,00,000.00	0.00
Magnum Multiplierplus Scheme-1993	8,00,000.00	0.00
J.M. Basic Fund	0.00	3,00,000.00
Reliance Diversified Power Sector Fund	0.00	6,00,000.00
Total	44,43,825.06	38,56,054.59
<b>SCHEDULE G : CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>(A) Inventories</b>		
(Taken as valued and certified by the management)		
1. Raw Material	2,99,82,136.75	2,39,29,017.95
2. Work In Process	36,26,464.13	56,73,410.24
3. finished Goods	1,65,22,255.73	1,48,65,885.78
4. Scrap	6,80,494.68	16,02,442.94
5. furnace Oil	4,89,537.33	2,14,178.89
6. Diesel Oil	3,98,950.00	56,793.60
7. Consumable Stores	49,72,914.86	37,44,402.76
Total	5,66,72,753.48	5,00,86,132.16
<b>(B) Sundry Debtors</b>		
(Unsecured But Considered Good Holding No Security other than Debtors Personal Security)		
Debts Due for less than Six Months	6,81,45,396.00	6,65,85,884.70
Debts Due for more than Six Months	39,29,943.40	19,33,136.00
Total	7,20,75,339.40	6,85,19,020.70

## THIRTYFIRST ANNUAL REPORT

### SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2011

	Current Year Rs.	Previous Year Rs.
<b>(C) Cash &amp; Bank Balances</b>		
(A) Cash on Hand	5,09,420.90	6,37,599.84
(B) Balances With H.D.F.C Bank Ltd.	2074,810.71	5,52,356.57
(C) Balance With S.B.I. SME Power Pack A/C	52,00,377.89	3,42,698.08
(D) Balance With P.N.B. Current A/C (Gratuity)	11,974.00	7,474.00
(E) Balance With S.B.I. SME Power Pack (Paonta)	63,991.53	129,792.45
(F) Balance With S.B.I. Current (Paonta) A/C	0.00	299,103.42
(G) S.T.D.R. With SBI Agst. Sales Tax	50,000.00	50,000.00
(H) S.T.D.R. With SBI Agst. L/C & B.G.	99,41,809.00	55,36,260.00
(I) S.T.D.R. With W. Rly. agst. Security	5,500.00	0.00
Total	<u>1,78,57,884.03</u>	<u>75,55,284.36</u>
<b>(D) Other Current Assets</b>		
Accrued Interest On STDR	79,112.42	3,14,219.00
C.S.T. Recov. on Goods Return (07-08)	0.00	1,29,390.00
Cenvat Recov. (Input)	8,856.00	2,72,010.00
Cenvat Recov. (C. Goods)	3,515.00	37,270.00
Cenvat Deferred (C. Goods)	6,06,320.00	3,11,833.00
Cess Duty Recov.(C. Goods)	413.00	809.00
Cess Duty Deferred (C. Goods)	12,061.00	6,232.00
Cess Duty Recov. Input	123.00	5,749.00
Cess On Service Tax on Input Services	2,705.00	2,680.00
S.H.E. Cess Duty Deferred (C. Goods)	6,021.00	3,116.00
S.H.E. Cess Duty Recov. (C. Goods)	230.00	391.00
S.H.E. Cess Duty Recov. (input)	310.00	2,861.00
S.H.E. Cess on Service Tax on Input Services	1,735.00	1,335.00
Personal Ledger Account (Excise & Cess)	43,027.00	6,992.00
Service Tax on Input Services	1,15,742.00	1,34,892.00
Vat Recov. Raw Material & Other Purchase	1,052.54	0.00
Total	<u>8,81,222.96</u>	<u>12,29,779.00</u>
<b>(E) Loans And Advances</b>		
(Unsecured but Considered Good Holding No Security other than Personal Security)		
Advance recoverable in cash or in kind or for value to be received		
i) Advance to Supplier	89,45,887.47	12,81,000.34
ii) Advance to Staff Agst. salary	4,94,123.00	2,71,900.00
iii) Security Deposit	37,31,856.00	33,23,828.00
iv) Other Advances	5,31,765.50	6,49,681.92
Total	<u>1,37,03,631.97</u>	<u>55,26,410.26</u>

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2011**

	Current Year Rs.	Previous Year Rs.
<b>SCHEDULE H : CURRENT LIABILITIES &amp; PROVISIONS :</b>		
<b>(A) Sundry Creditors &amp; Advance Recd.</b>		
(i) Trade Creditors	4,13,51,320.10	4,48,03,702.99
(ii) Creditors For Services	28,93,956.67	39,59,714.24
(iii) Security Received	98,436.00	2,08,450.00
Total	4,43,43,712.77	4,89,71,867.23
<b>(B) Provisions &amp; Out-standing Liability</b>		
(i) Statutory Liabilities	15,18,900.00	58,62,966.37
(ii) Provisions & Other Liability	1,06,29,567.17	59,55,444.07
Total	1,21,48,467.17	1,18,18,410.44
<b>SCHEDULE I : MISCELLANEOUS EXPENDITURE</b>		
(To the Extent not Written off or adjusted as on 31.03.2011)		
Deferred Revenue Expenses	0.00	2,91,540.00
Less : Exps. amortised during the year	0.00	2,91,540.00
Total	0.00	0.00
<b>SCHEDULE J : SALES</b>		
Sales Central (Coil Agst. C Form)	26,81,06,930.00	12,56,52,052.00
Sales Central (Coil Agst. Full Tax)	14,51,58,492.00	14,26,70,618.00
Sales Central (L/B Agst. C Form)	5,84,000.00	19,97,406.00
Sales Central (L/B Agst. Full Tax)	26,04,461.00	0.00
Sales Central (Scrap Agst. C Form)	9,67,909.00	0.00
Sales Central (Grinding Dust Full Tax)	32,949.00	0.00
Sales U.P. (Flat/Assembly Agst. Full Tax)	2,85,160.00	0.00
Sales U.P. (Round Agst. Full Tax)	13,57,809.00	0.00
Sales U.P. (Flat/ L/L Agst. Full Tax)	5,69,877.00	1,28,07,761.00
Sales U.P. (Coil Agst. Full Tax)	3,81,89,677.00	4,58,60,808.00
Sales U.P. (Scrap Agst. Full Tax)	16,95,723.00	20,17,151.00
Sales H.P. (Scrap Agst. Vat)	11,16,577.00	84,989.00
Sales Export	0.00	4,43,520.00
Sales Depot (Coil Agst.F Form)	0.00	3,40,80,663.00
	46,06,69,564.00	36,56,14,968.00
Less : Sales Return	(5,78,697.00)	(17,24,073.00)
Total	46,00,90,867.00	36,38,90,895.00
<b>SCHEDULE K : INCREASE(+)/(-)DECREASE IN STOCK</b>		
Opening Stock-		
Finished Goods	1,48,65,885.78	1,76,79,554.25
Work In Process	56,73,410.24	4,93,307.27
Scrap	16,02,442.94	17,72,876.10
	2,21,41,738.96	1,99,45,737.62
Less : Closing Stock-		
Finished Goods	1,65,22,255.73	1,48,65,885.78
Work In Process	36,26,464.13	56,73,410.24
Scrap	6,80,494.68	16,02,442.94
	2,08,29,214.54	2,21,41,738.96
(Increase) (+)/ Decrease (-) In Net Inventory	(13,12,524.42)	21,96,001.34

## THIRTYFIRST ANNUAL REPORT

### SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2011

	Current Year Rs.	Previous Year Rs.
<b>SCHEDULE L : MISCELLANEOUS INCOME</b>		
Interest On S.T.D.R.	7,08,940.42	1,75,752.00
Dividend Received	21,300.00	19,740.50
Input Service Tax Credit On Bank Charges	6,76,241.00	0.00
Rent On Shed Received	7,90,751.80	9,52,872.00
Freight & Insurance On Export	0.00	24,877.00
Misc. Income	16,596.00	500.00
Total	<u>22,13,829.22</u>	<u>11,73,741.50</u>
<b>SCHEDULE M : COST OF MATERIAL CONSUMED</b>		
Raw Material Consumed		
Opening Stock	2,39,29,017.95	1,47,18,485.24
Add : Purchases (Including Freight, Intt. on L/C & Entry Tax)	21,40,70,333.46	17,93,01,872.57
Less : Closing Stock	2,99,82,136.75	2,39,29,017.95
Total	<u>20,80,17,214.66</u>	<u>17,00,91,339.86</u>
<b>SCHEDULE N : MANUFACTURING EXPENSES</b>		
Power & Fuel	2,98,25,616.16	2,32,31,868.73
Consumable Stores Consumed	1,10,44,739.27	79,19,799.66
Generator Repairing & Maintenance	1,07,066.00	1,27,840.11
Jobwork Paid	29,36,675.00	26,55,023.00
Lab. expenses	24,477.00	24,109.00
Labour Fooding & Welfare	3,12,985.00	2,75,990.00
Machinery Maintenance	96,09,158.58	72,34,834.71
Freight & Cartage Local	60,025.00	82,352.00
Wages & Salary	1,60,50,192.34	1,24,83,185.06
Watch & Ward	7,79,956.00	5,81,537.00
Workshop Maintenance	35,70,787.57	26,05,049.32
Weight & Measurement	16,610.00	6,485.00
Total	<u>7,43,38,287.92</u>	<u>5,72,28,073.59</u>
<b>SCHEDULE O : ADMINISTRATIVE EXPENSES</b>		
Appeal Fee	0.00	1,000.00
Audit Fee (Statutory)	70,000.00	70,000.00
Audit Fee (Internal)	3,83,480.00	2,07,000.00
Bank Charges	29,04,683.45	31,49,405.98
Board Meeting Expenses	93,845.00	70,638.00
Building Repair & Maintenance	10,25,593.50	2,30,343.00
Car Running Expenses	4,95,514.19	2,98,917.57
Certification Fee	14,500.00	20,775.00
Computer Expenses	2,41,790.00	1,85,167.00
Conveyance	8,72,285.17	7,11,199.05
Directors' Remuneration	60,00,000.00	27,00,000.00
Directors' Sitting Fee	72,000.00	52,000.00
Donation	79,200.00	43,551.00
Depot Rent	0.00	6,600.00
Guest House Exps.	3,96,724.00	1,86,638.00

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2011 (Contd..)**

	Current Year Rs.	Previous Year Rs.
Hire Charges On Vehicle	1,13,056.34	16,485.00
Hotel Boarding & Lodging Exps.	61,330.00	0.00
Incentive To Director	19,89,129.00	24,55,505.00
Perquisites To Director	4,96,772.00	0.00
ISO (ISO-9002) Certificate Exps.	1,28,198.00	40,450.00
Inspection Charges	7,03,323.00	2,62,723.00
Insurance	2,93,177.00	1,99,296.00
Internet Expenses	6,543.00	14,422.56
Legal Expenses	82,833.00	58,675.00
Loss on Sale of Car	2,17,489.00	84,939.00
Loss on Investment of Plantation	0.00	20,350.00
Long Term Capital Loss	69,758.57	0.00
Licence Fee (Factory Act & Others)	36,800.00	24,800.00
Festival Exps.	6,96,492.00	2,27,226.00
Registration & Filing Fee	21,420.00	30,155.00
Foreign Currency Fluctuation	0.00	9,288.00
Share/ Stock Listing Fee	19,750.00	26,834.00
Share Connectivity/ Maint.charges	80,351.40	70,037.00
Sales Tax Demand	1,51,393.00	1,53,481.24
Pooja Expenses	15,419.00	34,498.00
Membership Fee	61,542.50	57,502.00
Misc. expenses	95,785.14	1,21,057.51
News Paper & Periodicals	20,380.00	20,708.00
Office Maintenance	3,55,211.85	1,61,700.04
Postage & Stamp	2,08,623.00	1,94,220.00
Printing & Stationery	3,23,566.00	2,55,496.50
Professional Charges	5,94,106.00	4,14,692.00
Purchase Tax	2,636.00	0.00
Rebate & Trade Discount	23,612.00	1,56,069.00
Demurrage & Other Deduction	55,62,370.53	2479,921.00
Rates & Taxes	1,66,844.00	1,42,730.00
Sundry Balance W/Off	469.44	1,178.71
Security Transaction Tax	2,076.00	0.00
Telephone Expenses	8,11,195.18	6,50,876.65
Travelling Expenses	8,92,604.50	6,40,600.00
Travelling Expenses (Director)	10,84,583.48	8,23,305.32
Travelling Expenses (Foreign)	0.00	10,11,112.47
Vehicle Repair & Maintenance	2,85,859.00	2,72,311.10
Total	<u>2,83,24,314.24</u>	<u>1,90,65,879.70</u>
<b>SCHEDULE P : INTEREST CHARGES</b>		
Interest to Bank	36,82,863.00	33,96,985.00
Interest on Unsecured Loan	8,44,787.00	7,85,641.00
Interest on Sale Tax / Excise / TDS	4,831.00	1,455.00
Total	<u>45,32,481.00</u>	<u>41,84,081.00</u>



## THIRTYFIRST ANNUAL REPORT

### SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2011

	Current Year Rs.	Previous Year Rs.
<b>SCHEDULE Q : PERSONNEL EXPENSES</b>		
Bonus	12,69,678.00	10,16,619.00
E.S.I.	3,13,920.80	2,81,716.25
Gratuity Insurance	6,74,590.00	5,59,865.00
House Rent Allowance	7,80,480.00	4,43,930.00
Incentive Expenses & Compensation	5,96,820.00	1,52,800.00
Leave Encashment	6,52,062.31	2,75,301.69
Retainership Fee	2,18,500.00	96,200.00
Provident Fund	11,53,965.00	9,96,621.00
Salary	47,19,189.37	39,96,954.24
Medical Expenses	2,47,912.00	2,27,532.29
Staff Fooding & Welfare	4,98,399.00	2,70,238.00
Staff Training Exps.	22,748.00	9,350.00
Total	<u>1,11,48,264.48</u>	<u>83,27,127.47</u>

### SCHEDULE R : SELLING & DISTRIBUTION EXP.

Advertisement & Publication	10,05,644.00	8,62,279.00
Central Sales Tax	1,18,66,390.00	98,21,312.37
Value Added Tax	20,41,244.00	35,40,956.00
Commission	21,74,853.00	23,58,652.00
Freight & Cartage Outward	97,98,187.00	70,26,468.00
Service Tax On Freight	2,59,609.50	1,87,408.00
Packing Expenses	36,53,286.04	64,08,502.37
Sales Promotion	2,72,397.00	2,49,050.00
Sample	72,699.00	31,243.00
Tender Fees	7,546.00	76,685.00
Total	<u>3,11,51,855.54</u>	<u>3,05,62,555.74</u>

**SCHEDULE "S" OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT ATTACHED AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.****Significant Accounting Policies****(A) (i) Basis of Accounting AS-1 :**

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

**(ii) Consistency**

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

**(B) Inventories AS-2 :**

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

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

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

Closing stock of Finished goods & Scrap amounting to Rs.1,72,02,750.41 (Pre.Yr. Rs.1,64,68,328.72) includes the amount of Excise duty, education & higher secondary education cess on excise amounting to Rs.10,32,782.00 (Pre.Yr.Rs.13,37,785.00). The Company has provided the excise duty, education cess & higher secondary education cess duty on closing stock of finished goods & Scrap to Profit & Loss account for the Current Year.

**(C) Cash Flow AS- 3 :**

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

**(D) Contingent Liabilities AS-4 :**

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

**(E) Prior period items AS-5 :**

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

**(F) Depreciation AS-6 :**

Depreciation has been charged on straight line method on triple shift basis at Kanpur and on single shift basis at Paonta Sahib which are as per the rates given in Schedule XIV of the Companies Act, 1956.

**(G) Revenue Recognition AS-9 :**

All Income and Expenditure are accounted for on accrual basis.

**(H) Sales :**

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

**(I) Fixed Assets AS-10 :**

- (i) Fixed assets are stated at cost less depreciation, Such cost comprises of purchase price and any attributable cost of bringing the assets to working conditions for its intended use.

## THIRTYFIRST ANNUAL REPORT

- (ii) Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to profit and loss account. When assets are sold or discarded, their cost and accumulated depreciation is removed the account and any gain or loss, resulting from their disposal is included in the profit and loss account.

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

The Company has no transaction in foreign currency for the import of material and a transaction is made in foreign currency of Rs. 64,28,613/- towards advance payment for purchase of plant & machinery. However, Professional charges of Rs. 3,90,644/- towards giving Technical Know-How for manufacturing the Air Springs and a foreign transaction of Rs. 20,524.00 for purchase of Drawing Software are incurred. There is no exchange gain/loss arising out of the rates prevailing on the date of transaction/remittance, hence not dealt with in Profit & Loss A/c for the year in which remittance is affected.

**(K) Cenvat :**

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

**(L) Service tax :**

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

**(M) Investment AS-13 :**

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

**(N) Retirement benefit to employees AS-15 :**

- (i) Gratuity liability under Gratuity Act, 1972 covered under LIC Staff Gratuity Policy and premium payable on account of the said policy is charged to the profit & loss account.
- (ii) The Company's contribution to Provident Fund and Family Pension Fund is charged to profit & loss account.
- (iii) Leave retirement expenses is provided to Profit & Loss Account on accrual basis. Leave encashment in case of retirement as well as on continuing employees is provided for, and the same is at Rs. 10,98,436.00 (Pre.Yr.Rs.7,00,50.69).

**(O) Borrowing cost AS-16 :**

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

**(P) Information Pursuant to AS-17:**

**a) Primary Segment (by Business segment) :**

Based on the guiding principles given in the Accounting Standard on Segment Reporting (AS-17), Company is primarily in the business of manufacture and sale of Coil Springs and Leaf Springs which mainly have similar risk and Returns. Since Company's business activity falls within a single geographical and business segment, hence it has no other primary reportable segments.

**b) Secondary Segment (by Geographical demarcation) :**

	(Rs. in lacs)	
	2010-2011	2009-2010
Segment Revenue		
Turnover :		
Domestic (Within India)	4600.91	3634.47
Export	Nil	4.44

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

Related Party	Relationship	Nature of transaction	Value (Amount Rs.)	Amount outstanding Receivable/Payable
Mr. K.L. Bhatia	Key Management Person	Remuneration	18,00,000.00	Cr. 2,72,899.00
		Incentives	5,14,098.00	
		Perquisites	85,902.00	
" Kapil Bhatia	—do—	—do—	15,00,000.00	Cr. 69,014.07
		—do—	7,37,516.00	
		—do—	1,62,484.00	
" Neeraj Bhatia	—do—	—do—	15,00,000.00	Cr. 2,83,168.38
		—do—	7,37,515.00	
		—do—	1,62,484.00	
Smt. Sushma Bhatia	—do—	—do—	12,00,000.00	Cr. 4,33,800.00
		—do—	85,901.00	
		H.R.A	24,000.00	
M/s Frontier Alloy Steels Ltd	Associate Concern	Sales	2,12,04,114.00	Dr. 1,48,33,419.40
—do—	—do—	Purchase of Plant & Machinery	50,07,620.00	0.00
—do—	—do—	Investment	8,00,000.00	Dr. 8,00,000.00
" Frontier Engineering Corporation	—do—	Purchase	41,38,693.00	0.00
" Frontier Springs, Kanpur	—do—	Purchase	8,13,738.00	0.00
" Vishpa Rail Equipments Pvt. Ltd	—do—	Jobwork	28,83,625.00	0.00
" Auto Fastner India	—do—	Jobwork	24,25,529.00	0.00
" Vishpa Rail Equipments Pvt. Ltd	—do—	Interest on Deposits	2,57,365.00	Cr. 83,00,000.00
Ridhu Bhatia Beneficiary Trust	—do—	Interest on Deposits	40,972.0	0.00
Ridhu Bhatia Marriage Beneficiary Trust	—do—	—do—	39,995.00	0.00
Shantanu Bhatia Beneficiary Trust	—do—	—do—	64,434.00	0.00
Shantanu Bhatia Marriage Beneficiary Trust	—do—	—do—	20,850.00	0.00
Vansika Bhatia Beneficiary Trust	—do—	—do—	41,355.00	0.00
Vansika Bhatia Marriage Beneficiary Trust	—do—	—do—	39,391.00	0.00
Yashima Bhatia Beneficiary Trust	—do—	—do—	39,329.00	0.00
Yashima Bhatia Marriage Beneficiary Trust	—do—	—do—	38,442.00	0.00
Chandan Shyama Bhatia HUF	—do—	—do—	10,774.00	0.00
K.L. Chandan Bhatia HUF	—do—	—do—	21,351.00	0.00
K.L. Chandan Mannu Bhatia HUF	—do—	—do—	20,940.00	0.00
K.L. Mannu Bhatia HUF	—do—	—do—	11,218.00	0.00
K.L. Shyama Bhatia HUF	—do—	—do—	11,218.00	0.00
K.L. Shyama Chandan Bhatia HUF	—do—	—do—	10,874.00	0.00
K.L. Shyama Mannu Bhatia HUF	—do—	—do—	10,874.00	0.00
Kapil Kamla Bhatia HUF	—do—	—do—	18,197.00	0.00
Neeraj Kamla Bhatia HUF	—do—	—do—	18,783.00	0.00
P.C. Kamla Bhatia HUF	—do—	—do—	21,509.00	0.00
P.C. Kamla Kapil Bhatia HUF	—do—	—do—	21,218.00	0.00
P.C. Kamla Neeraj Bhatia HUF	—do—	—do—	21,531.00	0.00
P.C. Kapil Bhatia HUF	—do—	—do—	21,987.00	0.00
P.C. Kapil Neeraj Bhatia HUF	—do—	—do—	21,510.00	0.00
P.C. Neeraj Bhatia HUF	—do—	—do—	20,670.00	0.00

## THIRTYFIRST ANNUAL REPORT

### (R) Accounting for Leases :- AS-19

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

### (S) Earning per Share :- AS-20

	2010-11	2009-10
N/P after tax availing for share holder	Rs. 4,97,91,071.10	Rs. 2,96,52,654.07
Weighted average No. of equity shares outstanding during the year	Nos. 39,38,511	Nos. 39,38,511
Basic/diluted earning per share	Rs. 12.62	Rs. 7.53

### (T) Consolidated financial statement :- AS-21

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

### (U) Deferred Tax :- AS-22

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

S. No.	Particulars	2010-11		2009-10	
		Accumulated Deferred Tax Assets	Accumulated Deferred Tax Liability	Accumulated Deferred Tax Assets	Accumulated Deferred Tax Liability
1.	Unabsorbed depreciation and losses	—	—	—	—
2.	Difference between book and tax depreciation	—	81,69,711.00	—	82,89,053.00
	Total	0.00	81,69,711.00	0.00	82,89,053.00
	Net Deferred Tax Liability		81,69,711.00		82,89,053.00

The difference Deferred tax assets for the year 2010-11 : Rs. 1,19,342.00 has been credited to Profit & Loss Account.

**Note:** As per the decision of the Management no timing difference on long term capital loss to be carried forward and on MAT Tax credit available for carry forward have been considered.

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

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

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

### (X) Intangible Assets :- AS-26

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

### (Y) Impairment of Assets :- AS-28

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

### (Z) Company has incurred pre-operative expenses of Rs. 18,996.00 for a new unit.

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

### Notes on Accounts :

- Excise duty, education cess & higher secondary education cess on excise of Rs. 10,32,782.00 on finished goods including scrap of Rs. 1,72,02,750.41 lying at the factory premises at the end of the year, would be payable at the time of clearance of such stock and the amount has been provided for and considered in the closing stock.
- Balances of sundry debtors, sundry creditors and loans & advances are subject to confirmation and reconciliation from the respective parties/persons.
- In the opinion of the Board, the current assets, loans & advances are approximately of the value stated, if

realised in ordinary course of business. Provision for the known liabilities and for all doubtful debts & advances have been provided as reasonably required.

**4. Details of Investments (Long term) :-**

Name/title	Quoted or Unquoted Share	No. of Shares/ Mutual Fund	Face Value Rs.	Cost Rs.	Dividend Income	No. of Shares Sales	Profit/ Loss on sale	Market Value as on 31.03.2011 or any date near to Rs.
Frontier Alloy Steels Ltd.. (Preference Share)	(Un.Q.)	8000	800000	800000	—	—	—	Not available
Chariot Auto Accessories Ltd.	(Un.Q.)	145000	1450000	300000	—	—	—	Not available
I.D.B.I.	(Q.)	150	1500	48750	—	—	—	21870.00
S.B.I.	(Q.)	180	1800	79810	5445.00	—	—	514665.00
IDEA	(Q)	230	2300	17250	—	—	—	15157.00
B.E.M.L.	(Q)	175	1400	176593	1250.00	—	—	86481.25
B.H.E.L .	(Q)	150	1250	332387	1988.00	—	—	308722.50
Bharti Airtel Ltd.	(Q)	150	750	68030	150.00	—	—	55237.50
H.C.L.Technologies	(Q)	100	200	32371	550.00	—	—	47555.00
I.F.C.I.	(Q)	2500	25000	145968	500.00	—	—	134750.00
Infosys	(Q)	75	375	127662	4125.00	—	—	237761.25
MRPL	(Q)	500	5000	40280	600.00	—	—	32175.00
NTPC LTD.	(Q)	300	3000	70383	1140.00	—	—	56685.00
Omaxe LTD.	(Q)	400	4000	124941	—	—	—	55180.00
Reliance Communication Ltd.	(Q)	75	750	54936	64.00	—	—	8242.50
Reliance Infrastructure Ltd.	(Q)	25	250	43110	178.00	—	—	16915.00
Reliance Industries Ltd.	(Q)	230	1000	289455	1610.00	—	—	237567.00
Reliance Power LTD.	(Q)	320	2000	89271	—	—	—	39872.00
Tata Motors	(Q)	200	2000	147743	3000.00	—	—	249410.00
Tata Power	(Q)	25	250	32673	300.00	—	—	33145.00
Tata Steels Ltd.	(Q)	50	500	42115	400.00	—	—	30720.00
Wire And Wireless (I) Ltd.	(Q)	300	3000	29615	—	—	—	2616.00
Indian Hotels Ltd.	(Q)	500	5000	50781	—	—	—	42225.00
J.M. Basic Fund	(Q)	8248.760		300000	—	8248.76	(148404.29)	0.00
Reliance D.E.P.S. Fund	(Q)	7646.833		600000	—	7646.833	78645.72	0.00
SBI PSU	(Q)	50000		500000	—	—	—	492000.00
SBI Magnum MPS	(Q)	13712.719		800000	—	—	—	681933.52
TOTAL					21300.00			

**Note :-**

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

## THIRTYFIRST ANNUAL REPORT

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

Remuneration	2010-2011	2009-2010
Managing Directors	18,00,000.00	8,70,000.00
Other Directors	42,00,000.00	18,30,000.00
<b>Incentives :</b>		
Managing Directors	5,14,098.00	5,58,163.00
Other Directors	14,75,031.00	18,97,342.00
<b>Perquisites :</b>		
Managing Directors	85,902.00	71,837.00
Other Directors	4,10,870.00	2,44,658.00
<b>Leave Travel Concession :</b>		
Managing Directors	NIL	NIL
Other Directors	NIL	NIL
<b>Sitting fee :</b>		
	NIL	NIL

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

	2010-11	2009-10
i. Licensed Capacity (As certified by the management)	Not Applicable	Not Applicable
ii. Installed Capacity (As certified by the management)	8000 Mt.per annum on single shift of eight hour Leaves spring and coil spring	8000 Mt. per annum on single shift of eight hour Leaves spring and coil spring
iii. Production in Nos.	2,41,699	2,29,753
iv. Particulars in respect of sales (refer notes below)		

Class of Goods	U/N	31.03.2011		31.03.2010	
		Qty.	Amount	Qty.	Amount
Coil springs	Nos.	243335	460090867.00	238434	364100697.00
Leaf springs	Nos.	Nil	Nil	Nil	Nil

#### Notes :-

The value of sales is stated :-

- (A) Inclusive of sales tax and inclusive of excise duty.  
 (B) Inclusive items manufactured and sold only.  
 (C) Net of goods returned.

### v. Quantitative details of Raw Materials Consumed :

Particulars	31.03.2011		31.03.2010	
	Qty. (Mt.)	Value (Rs.)	Qty. (Mt.)	Value (Rs.)
a) Indigenous Springs Steel Round	3825.578	208017214.66	3432.489	170091339.86
b) Imported	Nil	Nil	Nil	Nil

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

	2010-11	2009-10
Raw Materials imported	Nil	Nil
Spare Parts & Sets (Indigenous)	100%	100%
Raw Materials Indigenous	100%	100%

**vii. Quantitative details of finished goods**

Particulars	2010-11	2009-10
	Nos.	Nos.
Opening Stock	21700	30602
Closing Stock	20064	21700
Turnover	243335	238434

**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.

	2010-11	2009-10
7. Expenditure in foreign currency :		
Advance for Plant & Machinery	Rs. 64,28,613.00	Nil
Travelling Exps. (Foreign)	NIL	Rs. 10,11,112.47
Professional fee	Rs. 3,90,644.00	Nil
Drawing Software	Rs. 20,524.00	Nil
8. Earning in foreign currency	NIL	Rs. 4,43,520.00

9. Number of employees who are getting remuneration in aggregate of not less than Rs. 24,00,000/- per annum if employed throughout the year or if employed for part of the year were in receipt of remuneration in aggregate of not less than of Rs.2,00,000/- per month – There are three persons.

Name of person	Designation	Amount
1. K.L. Bhatia	Chairman and Managing Director	Rs. 24,00,000.00
2. Kapil Bhatia	Managing Director	Rs. 24,00,000.00
3. Neeraj Bhatia	Director	Rs. 24,00,000.00

10. a) The Company is contingently liable towards bank guarantee provided to the tune of Rs.127.29 lacs in favour of Indian Railways and contingently liable towards Letter of Credit provided to the tune of Rs.328.85 lacs in favour of M/s Sunflag Iron & Steel Co. Ltd. ( Prev. Yr. bank guarantee of Rs. 129.65 lacs in favour of Indian Railways and Letter of Credit of Rs.184.14 lacs in favour of M/s Sunflag Iron & Steel Co. Ltd.).

- (b) The disputed statutory dues aggregating Rs.2.19 lacs, that have not been deposited on account of disputed matters pending before appropriate authorities are as under :

Sl. No.	Name of Statute	Nature of dues	Amount (in Lacs)	Period to which the amount relates	Forum where dispute is pending
1.	Central Sales Tax Act,1956 and Sales Tax Act of U.P.	Penalty	2.19	2000-01 2001-02	High Court Allahabad
2.	U.P. Commercial Tax	Security	3.30	2010-11	Joint Commissioner Commercial Tax, Kanpur

11. During the year ended 31st March, 2008, profit of the Company has reduced substantially due to irrecoverable



## THIRTYFIRST ANNUAL REPORT

sundry debtors of Rs. 22,64,238.24 due from Maharashtra State Road Transport Corporation has been written off.

However, This dispute is still pending before the Hon'ble Court of third Additional Civil Judge (Senior Division), Kanpur Nagar. Hence this may be considered as contingent asset.

12. The Company has paid an Advance Income Tax for current year to the tune of Rs. 1,30,00,000.00 and the Company has also claim of Rs. 1,78,080.00 on account of T.D.S. & T.C.S. on interest on S.T.D.R. with S.B.I., T.D.S. on rent received of shed for and T.C.S. ON purchase of old Plant & Machinery for the current year under consideration. The Company has estimated Tax payable for the relevant year is Rs.1,31,78,080.00.
13. The Company has started a setup of forging unit at E-14, Panki Industrial Site No.I, Kanpur. The Company has incurred pre-operative expenses of Rs. 18,996.00 and advance against purchase of machinery is Rs.64,28,613.00 for the current year under consideration.

#### 14. Payment to Statutory Auditors :

Particulars	2010-11	2009-10
Audit fee	Rs. 70,000.00	Rs. 70,000.00
Service Tax	7,000.00	7,210.00
Income Tax fee	Nil	Nil
Management consultancy fee	Nil	Nil

#### 15. Details of Loans :

##### (i) Cash Credit Limit (Stock) : Rs. 1,92,61,607.00 (as on 31.03.2011)

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

##### (ii) Cash Credit Limit (Book Debts) Rs. 1,01,21,612.00 (as on 31.03.2011)

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

##### (iii) Term Loan (Plant & Machinery) Rs. 40,73,070.00 (as on 31.03.2011)

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

##### (iv) Car Loan :

HDFC (USB) Bank Ltd. Car Loan of Rs. 5,61,393.34

Primary secured by the hypothecation of Company's vehicle No. UP78-CD-1222

##### (v) Car Loan :

Kotak Mahindra Prime Ltd. Car Loan of Rs. 5,40,535.00

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

**(vi) Car Loan :**

STATE BANK OF INDIA Car Loan of Rs. 24,15,616.00

Primary secured by the hypothecation of Company's vehicle No. UP78-CF-8686

**(vii) Car Loan :**

STATE BANK OF INDIA Car Loan of Rs. 10,01,041.00

Primary secured by the hypothecation of Company's vehicle No. UP78-CH-1852

16. During the year Company has paid Rs. 4,831.00 as interest on delayed payment of T.D.S., Excise, Entry Tax, Service Tax & Sales tax.
17. Bonus as shown in the Profit & Loss Account Rs. 12,69,678.00 (includes provision of bonus for Rs.12,61,851.00 for current year and Rs.7,827.00 paid over the provision for the previous year 2009-10).
18. Cash & Bank Balance includes Rs.99,97,309.00 (Pre. Yr. Rs. 55,86,260.00) as a Short Term Deposit Receipt with S.B.I. against Letter of Credit Limit, Bank Guarantee against purchase order from customer i.e. Indian Railway & Sales Tax deptt.
19. Liability on account of interest on delayed payment to small scale and ancillary industrial undertakings under the Small Scale and Industrial Undertakings Act, 1993 can not be ascertained as desired details are not available with Company.
20. Previous year's figures have been regrouped/recasted/reclassified to make them comparable wherever required.
21. Schedules 'A' to 'S' form an integral part of the Balance Sheet and Profit & Loss account.

For SANJAY NANDANI & CO.  
*Chartered Accountants*  
SANJAY MALHOTRA  
*Partner*

Place : Kanpur  
Date : 10.08.2011

For and on behalf of Board of Directors

K.L. BHATIA  
*Chairman & Managing Director*

DEEPAK BHASIN  
*Company Secretary*

KAPIL BHATIA  
*Managing Director*

# THIRTYFIRST ANNUAL REPORT

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

### 1. Registration Details

Registration No.     State Code    
 Balance Sheet Date          
Date Month Year

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

Public Issue            
 Rights Issue            
 Bonus Issue            
 Private Placement

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

Total Liabilities       Total Assets

#### Sources of Funds

Paid-up Capital      Reserves and Surplus        
 Secured Loans      Unsecured Loans       
 Deferred Tax Liabilities

#### Application of Funds

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

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

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

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

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

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

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

For SANJAY NANDANI & CO.  
 Chartered Accountants  
 SANJAY MALHOTRA  
 Partner

Place : Kanpur  
 Date : 10.08.2011

For and on behalf of Board of Directors

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

	As at 31.03.2011	(Rs. in Lacs) As at 31.03.2010
<b>A) Cash Flow From Operating Activities</b>		
Net Profit Before Tax	628.75	465.97
Item Adjustment For :-		
Depreciation	100.84	53.66
Rental Income	(7.91)	(9.53)
Interest Expenditure (Bank & Loan)	45.32	41.84
Interest Income	(7.09)	(1.76)
Dividend Income	(0.21)	(0.20)
Freight & Insurance On Export	(0.20)	(0.29)
Input Service Tax Credit On Bank Charges	(6.93)	0.00
Loss on Sale of Car Taken As Extra Ordinary Item	2.18	0.85
Long Term Capital Loss	0.69	2.91
Amortisation Exps.	0.00	0.00
Hire Charges	1.13	0.16
Operating Profit Before Working Capital Changes	756.77	553.61
Adjustment For :-		
Inventories	(65.87)	(141.69)
Sundry Debtors	(35.56)	(117.88)
Loan & Advances	(78.35)	47.40
Sundry Creditors	(46.22)	145.42
Sundry Provisions	3.30	67.92
Cash Flow Before Extra Ordinary Items	534.07	554.65
Extra Ordinary Items	(2.87)	(0.85)
Tax Paid	(132.03)	(126.75)
<b>Net Cash (Used In)/From Operation Activities (A)</b>	<b>399.17</b>	<b>427.18</b>
<b>(B) Cash Flow From Investing Activities</b>		
Increase In Fixed Assets	(227.46)	(485.69)
Investment	(5.88)	0.20
Sale of Fixed Assets	4.13	7.01
Interest Received	7.09	1.76
Dividend Received	0.21	0.20
Freight & Insurance On Export	0.00	0.29
Input Service Tax On Bank Charges	6.93	0.00
Extraordinary Items		
Rent Received	7.91	9.53
<b>Net Cash (Used In)/From Investing Activities (B)</b>	<b>(207.07)</b>	<b>(466.70)</b>
<b>C) Cash Flow From Financing Activities</b>		
Proceeds From Share Capital	0.00	0.00
Proceeds/(Repayment) From Capital Subsidy	0.00	(16.64)
Proceeds/(Repayment) From Short Term Borrowings	(4.15)	104.76
Proceeds/(Repayment) of Unsecured Loan	0.92	14.45
Dividend Paid	(39.39)	0.00
Interest Paid (Bank & Loan)	(45.32)	(41.84)
Hire Charges	(1.13)	(0.16)
<b>Net Cash(used In)/From Financing Activities (C)</b>	<b>(89.07)</b>	<b>60.57</b>
Net(decrease)/Increase In Cash And Cash Equivalents (A+B+C)	<b>103.03</b>	<b>21.05</b>
Cash And Cash Equivalents-opening	<b>75.55</b>	<b>54.50</b>
Cash And Cash Equivalents-closing	<b>178.58</b>	<b>75.55</b>

For and on behalf of the Board

Place : Kanpur

K. L. BHATIA

KAPIL BHATIA

DEEPAK BHASIN

Date : 10.08.2011

Chairman & Managing Director

Managing Director

Company Secretary

**AUDITORS' CERTIFICATE**

We have examined the above cash flow statement of Frontier Springs Limited for the year ended 31st March, 2011. The Statement has been prepared by the Company in accordance with the requirements of listing agreement clause 32 with Stock Exchange and is based on and in agreement with books and records of the Company and also the Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of Company.

For SANJAY NANDANI & Co.

Chartered Accountants

SANJAY MALHOTRA

Partner

Place : Kanpur

Date : 10.08.2011

# FRONTIER SPRINGS LIMITED

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

## ATTENDANCE SLIP

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

DP-ID No.	
-----------	--

Client ID No.	
---------------	--

Name of the Shareholder.....

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

I hereby record my presence at the 31st Annual General Meeting held on Friday, 30th September, 2011 at 12.30 P.M. at the Hotel Royal Cliff Opp. Moti Jheel Gate No. 1, Kanpur-208002

**Member/Proxy's Signature**

.....

# FRONTIER SPRINGS LIMITED

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

## PROXY FORM

I/We ..... of .....being

a member/members of Frontier Springs Limited, hereby appoint.....

of ..... or failing him.....

of ..... or failing him.....

of ..... as my/our proxy to attend and vote for me/us/ on my/our behalf at the 31st Annual General Meeting held on Friday, 30th September, 2011 at 12.30 P.M. at the Hotel Royal Cliff Opp. Moti Jheel Gate No.1, Kanpur- 208002 and at any adjournment thereof.

Signed this ..... day of ..... 2011

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

DP-ID No.	
-----------	--

Client ID No.	
---------------	--

Affix Re. 1/- Revenue Stamp
--------------------------------------

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

Cut Here

BOOK POST

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

SOLAR PRESS  
KANPUR ☎ 2534799