

# FRONTIER SPRINGS LIMITED

## ANNUAL REPORT 2015-2016

### BOARD OF DIRECTORS

Shri KUNDAN LAL BHATIA, *Chairman & Managing Director*  
Shri KAPIL BHATIA, *Managing Director*  
Shri NEERAJ BHATIA, *Whole Time Director*  
Smt. MAMTA BHATIA, *Whole Time Director*  
Smt. MANJU BHATIA, *Whole Time Director*  
Shri N.P. SINGH, *Independent Director*  
Shri R.N. TRIVEDI, *Independent Director*  
Shri YASHPAL, *Independent Director*  
Shri R. K. BHATIA, *Independent Director*  
Shri PRADEEP K. GOENKA, *Independent Director (Upto 28.05.2016)*

### COMPANY SECRETARY & COMPLIANCE OFFICER

Shri DHRUV BHASIN

### AUDITORS

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

### BANKERS

STATE BANK OF INDIA

### REGISTRAR AND SHARE TRANSFER AGENT

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

### REGISTERED OFFICE

Km 25/4, KALPI ROAD,  
RANIA, KANPUR-DEHAT 209 304

### PLANTS

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

### CONTENTS

	Page No.
Directors' Report	2
Management Discussion & Analysis	6
Report on Corporate Governance	7
Secretarial Auditors' Report	24
Auditors' Report	32
Balance Sheet	36
Profit & Loss Account	37
Cash Flow Statement	38
Significant Accounting Policies	39
Notes on Financial Statement	43

# THIRTY SIXTH ANNUAL REPORT

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty Sixth Annual Report of the Company along with the Audited Financial Statement for the year ended 31st March 2016. The financial results for the year are shown below :

### FINANCIAL RESULTS

Particulars	(Rs. in Lacs)	
	2015-16	2014-15
Income from Operations/ Turnover	<b>4,116.22</b>	3,633.91
Profit Before Interest, Depreciation and Tax	<b>385.67</b>	279.67
Interest	<b>136.71</b>	90.52
Depreciation	<b>148.74</b>	132.80
Profit/(Loss) Before Tax	<b>100.22</b>	56.35
Income Tax		
Current year Tax	<b>20.25</b>	10.93
Deferred Tax	<b>29.18</b>	4.78
Profit/(Loss) After Tax	<b>50.79</b>	40.64
Profit/(Loss) B/F from P.Y.	<b>1,584.91</b>	1,493.48
Transfer to General Reserve	–	–
Balance available for appropriation	<b>1,584.91</b>	1,534.12
Surplus carried to Balance sheet	<b>1,584.91</b>	1,534.12

### REVIEW OF OPERATIONS

The operations of the company during the financial year under review improved with Turnover of Rs. 4,116.22 Lacs as against Rs. 3,633.91 Lacs in preceding year. The Net Profit during the year was higher at Rs. 50.79 Lacs as against Rs 40.64 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 out even better results during the current year as well.

### DIVIDEND

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

### EXPANSION

#### Forging Division

Your Company has already set up the forging plant at Rania and the management is taking conducive steps to further expand the forging division by expanding its

product base. We have also installed the Electric Induction Furnaces at Rania which in turn helps to reduce burning loss varying between 3 to 5%. Approval of screw coupling, knuckle pins with washer, yoke pin and knuckle thrower have been obtained from Research Design & Management Organization (R.D.S.O) in addition to Draft gear Forging, Hanger and Hanger Block. The company is in the process to install new machineries such as 1200 MT. PRESS, VMC and 6 MT. hammer which would be used to produce products of heavy industries.

### Coil Springs

Your company would be the first one to receive orders for manufacturing of springs for Link-Hofmann Busch(LHB) coaches which were being imported till date. This would lead to Import Substitution and increase in the Gross Domestic Product of our country. Presently LHB Coaches are used in Super Fast trains such as Shatabdi & Rajdhani Express. The execution of such kind of orders would increase the turnover and projects manifold. Your Company has also bought new Load Testing Machine from China for Testing of above springs and also setting up a new Powder Coating plant at Rania.

### SUBSIDIARY COMPANY / ASSOCIATE / JOINT VENTURE COMPANY

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

### DIRECTORS

In accordance with the provisions of the Companies Act, 2013 read with Articles of Association of the Company Shri Neeraj Bhatia, Director of the Company retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Shri Pradeep Kumar Goenka, Independent Director of the Company resigned from directorship w.e.f 28.05.2016. The Board places on record the valuable guidance provided by him during his tenure.

### KEY MANAGERIAL PERSONNEL

During the year, as per the provisions of Section 203 of the Companies Act, 2013 the following persons were designated as Key Managerial Personnel:-

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

### DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their declarations to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

### MEETINGS OF THE BOARD

Four meetings of the Board of Directors were held

during the year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and the Listing Regulations.

#### **BOARD EVALUATION**

The Board annually evaluates its performance as well as the performances of its Committees and of Directors individually. For evaluating the performance of the Board as a whole, the Board reviews the periodical performances of the Company and the role of the Board towards achievement of the said performances and the future plans as set out from time to time. The performance of the executive directors is evaluated by the Board by linking it directly with their devotion towards implementation and management of the growth parameters of the Company and the actual achievements of the Company. The performance of the Executive Directors is evaluated on the basis of their contribution for adopting better corporate governance practices, transparency and disclosures in achieving the goals of the Company.

The performance of the various Committees of the Board is reviewed on the basis of the achievement of the work designated to the specific committee.

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

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

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

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

#### **FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS**

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

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

#### **AUDITORS AND AUDITORS REPORT**

##### **I. STATUTORY AUDITORS**

M/s. Sanjay Nandini & Co., Chartered Accountants, were appointed as Statutory Auditors of your Company for a period of three years at the 34th Annual General Meeting held on 30/09/2014. Their continuance of appointment is placed for ratification at the ensuing Annual General Meeting. The Company has received a certificate from the Auditors to the effect that if their appointment is confirmed it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The observations made by auditors in their report have been suitably explained in the Notes to Account and therefore do not call for any further clarification or explanation.

##### **II. COST AUDITORS**

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

##### **III. SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed P. Manghwani & Associates; Practicing Company Secretaries as Secretarial Auditors of the Company for the year 2015-16. The Secretarial Audit Report for the year ended 31st March, 2016 is annexed herewith as Annexure-E to this report. The Secretarial Audit Report does not contain any adverse qualification, reservation or remark.

##### **IV. INTERNAL AUDITORS**

The Company has appointed M/s. Kedia Gupta & Associates, Chartered Accountants as the Internal Auditors of the Company for the year 2015-16. The Internal Auditor Report is placed before the Audit Committee of the Company from time to time.

#### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

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

#### **CORPORATE GOVERNANCE**

The new Companies Act, 2013 has strengthened the governance regime in the country. Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as

## THIRTY SIXTH ANNUAL REPORT

partners in our success, and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. The business conduct can be ethical only when it rests on the six core values of Customer Value, Ownership Mindset, Respect, Integrity, One Team and Excellence. In line with the requirements of these core values and new law, the Company through its Board and Committees endeavors to strike and deliver the highest governing standards for the benefits of its stakeholders.

Pursuant to Regulation 15(2) of SEBI (LODR) Guidelines, 2015 the Company is not required to comply with the conditions of Clause 49 of the Listing Agreement. However, as a good Corporate Governance practice and to maintain continuity in standards of Disclosures Report on Corporate Governance and Management Discussion & Analysis Report is placed as "Annexure A" which forms part of this Report.

### **STATUTORY INFORMATION PARTICULARS OF EMPLOYEES**

The disclosure required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is annexed as "Annexure C" and forms an integral part of this Report. The information showing names and other particulars of employees as per Rule 5(2) and rule 5(3) of the aforesaid Rules forms part of this report. However as per first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company and others entitled thereto. The said information is available for inspection by members at the Registered Office of the Company during business hours on all working days upto the date of ensuing Annual General Meeting. Any member interested in obtaining a copy thereof, may also write to the Company Secretary.

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

Information as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo for the financial year 2015-16 is annexed as "Annexure B" which forms part of this Report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors acknowledge the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the year ended on 31st March, 2016 and state that:

- i) in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

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

### **FIXED DEPOSITS**

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

In terms of Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014, the Company during the year under has accepted an amount of Rs. 15,050,000 as unsecured loans from Directors and the balance outstanding as on 31st March 2016 was Rs. 17,566,000.

### **LOANS, GUARANTEES AND INVESTMENTS**

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

### **ANNUAL RETURN**

The extracts of Annual Return in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management & Administration) Rules 2014 is included in this report as "Annexure D" and forms an integral part of this Report.

### **LISTING**

The Equity Shares of Company continue to be listed at BSE Limited and the Annual Listing Fees for the financial year 2016-17 has been paid.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has in place internal financial control systems, commensurate with the size and complexity of its operations, to ensure proper recording of financial and monitoring of operational effectiveness and compliance of various regulatory and statutory requirements. The internal auditor monitors and



evaluates the efficacy and adequacy of internal control systems in the company. Based on the report of the internal auditor, respective departments undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations, if any and corrective actions thereon are presented to the Audit Committee of the Board.

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

The Audit Committee comprises of five members and all members are Independent Directors .The Company Secretary is the Secretary of the Committee. All transactions with related parties are on arms' length basis. During the year, there are no instances where the Board had not accepted the recommendations of the Audit Committee. The Company has in place a vigil mechanism for Directors and Employees, to report genuine concerns about any wrongful conduct with respect to the Company or its business or affairs. This policy covers malpractices, misuse or abuse of authority, fraud, violation of the Company's policies or rules, manipulations, negligence causing danger to public health and safety and other matters or activity on account of which the interest of the company is affected or likely to be affected and formally reported by whistle blowers. If an investigation leads the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit.

#### **RISK MANAGEMENT**

The Audit Committee has also been delegated the responsibility for monitoring and reviewing risk management, assessment and minimization procedures, developing, implementing and monitoring the risk management plan and identifying, reviewing and mitigating all elements of risks which the Company may be exposed to. The Board also reviews the risk management, assessment and minimization procedures. Further, in accordance with SEBI Regulations, a Risk Management Committee has also been formed which also oversees the risk management of the company.

#### **INSIDER TRADING**

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

The Insider Trading Code is intended to prevent misuse of unpublished price sensitive information by

insiders and connected persons and ensure that the Directors and specified persons of the Company and their dependants shall not derive any benefit or assist others to derive any benefit from access to and possession of price sensitive information about the company which is not in the public domain, that is to say, insider information.

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

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

No material changes and commitments affecting the financial position of the Company occurred from the end of the Financial year 2015-16 till the date of this Report. Further, there was no change in the nature of business of the Company.

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

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

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

The details of material contracts / arrangements / transactions at arm's length basis for the year ended 31st March, 2016 is annexed hereto and form part of this Report as Annexure F.

Your Directors draw attention of the Members to Note No.30 to the Financial Statement which sets out all related party disclosures.

#### **ACKNOWLEDGEMENTS**

Your Directors express their sincere gratitude for overwhelming co-operation and assistance received from Company's Bankers, Government Authorities and esteemed customers for their continued patronage and support during the year. Your Directors also place on record their appreciation for the contribution made by all the Officers, Staff and Workmen. The consistent growth of your Company was made possible by their hard work, cooperation and support. Your Directors also take this opportunity to place on record their gratitude to the Members for their continued support and confidence reposed in the company.

For and on behalf of the Board

KUNDAN LAL BHATIA

*Chairman Cum Managing Director*

DIN No. 00581799

KAPIL BHATIA

*Managing Director*

DIN No. 00582337

Place : Kanpur

Date : 13th August, 2016

# THIRTY SIXTH ANNUAL REPORT

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE & DEVELOPMENTS

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

### OPPORTUNITIES & THREATS

During the year under review, the Company has procured 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 measures to accelerate continuous growth in supply orders of the Company's product.

### PRODUCTWISE PERFORMANCE

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

### RISKS AND CONCERNS

Currently, the Company perceives the following main business risks:

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

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

### OUTLOOK

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

### INTERNAL CONTROL SYSTEM AND ADEQUACY

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

### HUMAN RESOURCE

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

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

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

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

**2. BOARD OF DIRECTORS:**

As on 31st March, 2016, the Board of Frontier Springs Limited consisted of three Whole Time Directors and five Non-Executive Directors all of whom are Independent Directors and two Woman Directors. The composition of the Board and other relevant details relating to Directors during the Financial Year 2015-16 are as under:

Name of Director(s)	Category	No. of Board Meeting Attended	Whether attended last AGM	No. of other Directorship	No. of other Committee Chairmanship	No. of other Committee Membership
Shri Kundan Lal Bhatia	Promoter-Executive	4	Yes	-	1	-
Shri Kapil Bhatia	Promoter-Executive	4	Yes	-	-	-
Shri Neeraj Bhatia	Promoter-Executive	4	Yes	-	-	-
Smt Mamta Bhatia	Promoter-Executive	4	Yes	-	-	-
Shri Manju Bhatia	Promoter-Executive	4	Yes	-	-	-
Shri R.N Trivedi	Non Executive & Independent	4	Yes	-	-	-
Shri Pradeep Kumar Goenka	Non Executive & Independent	3	Yes	6	3	3
Shri N.P Singh	Non Executive & Independent	1	No	-	-	3
Shri Yashpal	Non Executive & Independent	4	Yes	-	1	3
Dr. R.K Bhatia	Non Executive & Independent	1	No	-	-	3

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

**Re-appointments:**

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

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

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

Shri Neeraj Bhatia aged about 49 years graduated from the University of Kanpur, was appointed as Whole Time Director of the Company w.e.f. 22/04/1991. He is a dynamic personality who has really brought about a drastic change in the overall production & marketing of the company. He has also contributed in improving the marketing strategies. Shri Neeraj Bhatia holds 124365 equity shares of the Company.

## THIRTY SIXTH ANNUAL REPORT

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

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

**Details of Board Meetings held during the year 2015–16:**

During the year 2015–16, Four Board Meetings were held. The details of meetings are as under:–

S. No.	Date of Board Meeting	No. of Members Present
1.	28th May, 2015	8
2.	14th August, 2015	9
3.	09th November, 2015	8
4.	13th February, 2016	10

The last Annual General Meeting of the Company was held on 29th September, 2015.

**3. AUDIT COMMITTEE:**

The Audit Committee was duly constituted comprising Directors namely Shri P.K Goenka as Chairman and Shri Yashpal, Shri N.P Singh, Shri R.N Trivedi and Shri R.K Bhatia as members. The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and in accordance with Corporate Governance requirements. Four Audit Committee meetings were held during the year 2015–16. The details of the meetings are as under:–

S. No.	Date	No. of members present
1.	28th May, 2015	3
2.	14th August, 2015	4
3.	09th November, 2015	3
4.	13th February , 2016	5

The terms of reference of the Audit Committee are in conformity with the requirements specified in Regulation 18 (3) read with part C of schedule II of the Listing Regulations and also comply with the requirements of Section 177 of Companies Act, 2013.

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

**4. NOMINATION AND REMUNERATION COMMITTEE:**

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

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

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

The Company does not pay any remuneration to its Non Executive Directors, except sitting fee for attending the



Board Meetings @ Rs. 10,000/- besides reimbursement of expenses of traveling etc. The Company has no pecuniary relationship or transaction with its non-executive Directors other than payment of sitting fees to them for attending Board and Committee Meetings.

**5. STAKEHOLDER'S RELATIONSHIP COMMITTEE:**

Stakeholder's Relationship Committee was duly constituted under the Chairmanship of Shri Yashpal and Shri P. K. Goenka, Shri N.P Singh, Shri R.N Trivedi and Shri R.K Bhatia as members.

The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013. The Stakeholder's Relationship Committee looks into all the matters relating to transfer, transmission of shares and Redressal of Investor Grievances like non receipt of Annual Report, Non Receipt of Dividend warrants etc. During the year 2015-16, Four Committee Meetings were held. Details of the meetings are as under:

S. No.	Date	No. of members present
1.	28th May, 2015	4
2.	14th August, 2015	4
3.	09th November, 2015	3
4.	13th February, 2016	5

During the year 2015-16, all the complaints received by the company and / or registrar of the company were solved to the satisfaction of complainants and there was no pending complaint.

**6. GENERAL BODY MEETINGS:**

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

**2014-15**

- Date and Time** : 29th September, 2015 at 12:30 P.M.  
**Venue** : Km 25/4, Kalpi Road, Rania Kanpur Dehat - 209 304  
**Special Resolution** : Re-appointment of Shri K.L Bhatia as Chairman cum Managing Director  
 Re-appointment of Shri Kapil Bhatia as Managing Director  
 Re-appointment of Shri Neeraj Bhatia as Whole Time Director  
 Re-appointment of Smt. Mamta Bhatia as Whole Time Director  
 Approval of contracts/arrangements with related parties  
 Approval for acceptance of Deposits from members

**2013-14**

- Date and Time** : 30th September, 2014 at 12:00 P.M  
**Venue** : E-14, Panki Industrial Area, Site-1, Kanpur-208 022  
**Special Resolution** : Increase the borrowing powers of the Company.

**2012-13**

- Date and Time** : 28th September, 2013 at 12:30 P.M  
**Venue** : E-14, Panki Industrial Area, Site-1, Kanpur-208 022  
**Special Resolution** : No special Resolution was passed

**7. DISCLOSURES:**

- a) There was no materially significant related party transaction i.e. transaction of material nature with its promoters, directors or management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Attention of members is drawn to the disclosure of transactions with the related parties set out in Notes on Accounts forming part of the Annual Report.

**b) During the year 2015-16:-**

1. The company has framed and adopted Policy on Disclosure of Material Events/Information & Policy on

## THIRTY SIXTH ANNUAL REPORT

Preservation and Archival of Documents for ensuring proper disclosure of events and ensuring proper paper compliance.

2. The Company has complied with all the mandatory requirements of Listing Regulations. However, the Company has not adopted the non-mandatory requirements.
3. A fine of Rs. 20610/- has been imposed on the Company by Bombay Stock Exchange for late filing of Shareholding pattern & Corporate Governance Report for Quarter ending December, 2013.

### 8. MEANS OF COMMUNICATION:

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

### 9. GENERAL SHAREHOLDER'S INFORMATION:

- (i) **Annual General Meeting** : Date : 30th September, 2016  
Time : 12:30 P.M  
Venue : Km 25/4, Kalpi Road,  
Rania, Kanpur Dehat 209 304.
- (ii) **Financial Year** : **Particulars of Quarter** **On or before**  
First Quarter 14.8.2016  
Second Quarter 14.11.2016  
Third Quarter 14.02.2017  
Fourth Quarter & Annual Results 30.05.2017
- (iii) **Date of Book Closure** : 24th September, 2016 to 30th September, 2016  
(Both days inclusive).
- (iv) **Dividend payment date, if declared** : N/A
- (v) **Listing on Stock Exchanges** : Bombay Stock Exchange, Mumbai  
(The Company is up-to-date on the payment of Annual Listing fees)
- (vi) **Stock Code** : 522195
- (vii) **Market Price Data at Bombay Stock Exchange (BSE):**

Month	High (₹)	Low (₹)
April 2015	31.00	23.00
May 2015	27.00	22.60
June 2015	32.00	23.00
July 2015	27.70	23.00
August 2015	31.95	21.00
September 2015	28.50	19.10
October 2015	33.45	19.15
November 2015	27.70	24.00
December 2015	36.55	25.30
January 2016	33.00	22.35
February 2016	28.45	21.55
March 2016	28.50	21.00

**(viii) Registrar and Share Transfer Agent (RTA) :** Alankit Assignments Ltd.  
Alankit Heights  
1E/13, Jhandewalan Extension New Delhi-110055

**(ix) Share Transfer System:**

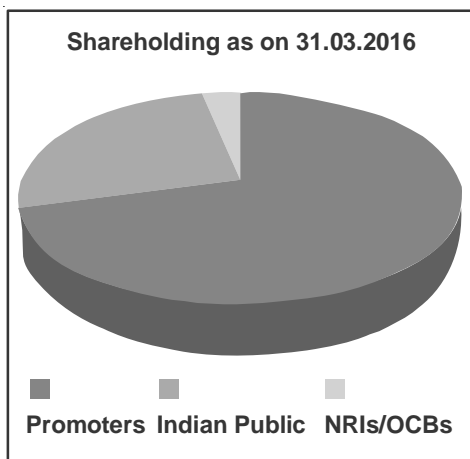
The shares received for transfer in physical form are processed by RTA and the Share Certificates are returned after authorisation by the Company, within a period of 15 days from the date of receipt, subject to the documents being valid & complete in all respects. Any transferee who wishes to get the shares dematerialized may approach any of the Depository Participants (DP) along with a duly filled Demat Request Form.

**DISTRIBUTION OF HOLDING AS ON 31ST MARCH, 2016**

The table below shows the distribution of shareholding of various groups as on March 31, 2016

Shares holding Number of Shares		Shareholders					Shareholding				
Rs.	Rs.	Physical Number	NSDL Number	CSDL Number	Total Number	%	Physical (in Rs.)	NSDL (in Rs.)	CDSL (in Rs.)	Total (in Rs.)	%
1	to 100	1799	570	210	2579	59.084	175492	46778	14807	237077	6.019
101	to 500	844	386	176	1406	32.211	224523	113146	53159	390828	9.923
501	to 1000	62	85	45	192	4.399	54530	72200	38743	165473	4.201
1001	to 5000	30	69	39	138	3.162	58140	177795	89847	325782	8.272
5001	to 10000	1	8	2	11	0.252	8100	60238	19998	88336	2.243
10001	to 20000	0	7	2	9	0.206	0	93969	21722	115691	2.937
20001	to 30000	1	7	3	11	0.252	25000	155505	71464	251969	6.398
30001	to 40000	0	3	3	6	0.137	0	107412	91317	198729	5.046
40001	to 50000	0	0	1	1	0.023	0	0	41075	41075	1.043
50001	to 100000	1	6	1	8	0.183	76600	486996	56738	620334	15.75
100001	to 500000	0	3	0	3	0.069	0	637087	0	637087	16.176
500001	to ABOVE	0	1	0	1	0.023	0	866130	0	866130	21.991
<b>T O T A L</b>		<b>2738</b>	<b>1145</b>	<b>482</b>	<b>4365</b>	<b>100</b>	<b>622385</b>	<b>2817256</b>	<b>498870</b>	<b>3938511</b>	<b>100.00</b>

**(xi) Shareholding Pattern as on 31st March, 2016 :**



Category	No. of shares held	% of Share holding
Promoters	19,92,863	50.60
Mutual Funds and UTI	-	-
Financial Institutions, Banks and Insurance Companies	400	.01
Private Corporate Bodies	2,99,470	7.48
FII's	-	-
Indian Public	16,35,812	41.68
NRIs/OCBs	9,966	.23
<b>TOTAL</b>	<b>39,38,511</b>	<b>100%</b>

**(xii) Dematerialization of shares:**

The Company's shares are under demat mode as well. The ISIN of the Company is INE572D01014. As on 31st March 2016, 84.11% equity shares of the Company are in dematerialized mode.

## THIRTY SIXTH ANNUAL REPORT

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

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

- (i) Registered Office : Km 25/4 Kalpi Road  
Rania  
Kanpur Dehat – 209304
- (ii) Manufacturing Unit : Rampur Ghat Road  
Village Kunja Tehsil Poanta Sahib  
Distt. Sirmour  
H.P–173025

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

- For shares held in Physical Form & for any query on the Annual Dividend : Frontier SpringsLtd.  
Km 25/4 Kalpi Road  
Rania  
Kanpur Dehat – 209304
- For Shares in Demat Form : Alankit Assignments Ltd.  
Alankit Heights  
1E/13, Jhandewalan Extension  
New Delhi–110055

### CEO AND CFO CERTIFICATION

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

### DECLARATION

Pursuant to Regulation 26(3) of Listing Regulations, I, Kundan Lal Bhatia, Chairman Cum Managing Director of Frontier Springs Limited, declare that all Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct for the financial year 2015-16.

Place : Kanpur  
Date : August 13, 2016

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

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

**A. Conservation of Energy**

- (i) The Steps taken or impact on conservation of energy  
 Energy conservation continues to receive priority at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques.  
 The Automatic Power Factor Controller (APFC) & Automatic Voltage Stabilisers installed in the company continue to work well and conserve energy.  
 All tube lights and filament bulbs in the company were replaced by energy conserving CFLs.  
 All motors and machines are regularly serviced and lubricated to reduce operating load.
- (ii) The Steps taken by the Company for utilizing alternate source of energy.  
 No substantial steps were taken this year for utilizing alternate sources of energy.
- (iii) The capital investment on energy conservation equipments.  
 No new capital investment on energy conservation equipments was made during the year, the existing Automatic Power factor Controller and the Automatic Voltage Stabiliser were kept maintained and in satisfactory working condition.

**B. Technology Absorption**

- (i) The efforts made towards technology absorption  
 Updation & upgrading of Technology is a Continuous process. Efforts are continuously made in-house to upgrade the existing machines and technology to produce innovative products. The successfully developed innovations are the implemented at the shop floor level, and the operators trained on the new techniques so that the technology is absorbed.  
 New & innovative raw materials are sourced and procured and put to use to make highly specialized products.
- (ii) The benefits derived like product improvement cost reduction, product development or import substitution.  
 In addition to producing new, innovative & state of the art products, the technologies development in-house help in reducing wastes and increased efficiencies on the existing plant & machinery.  
 Due to the updation of technology and absorption, the company has been successful in retaining customer's confidence.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
- (a) The details of technology imported.
- (b) The year of import
- (c) Whether the technology has been fully absorbed.
- (d) If not fully absorbed, areas where absorption has not taken place.  
 And the reasons thereon  
 Not Applicable : No technology was imported in the last 3 years.
- (iv) The Expenditure incurred in Research and Development.  
 Research & Development in the company is a continuous process and runs in parallel to the normal activities by way of new improvements & modifications on plant & machinery and development of new & innovative products, and has not been quantified separately and are grouped under their respective heads.

**C. Foreign Exchange Earnings and Outgo**

(Rs. in Lacs)

Foreign Exchange earned in terms of actual inflows.	NIL
Foreign Exchange outgo in terms of actual outflows.	Rs. 5.84 lacs



## THIRTY SIXTH ANNUAL REPORT

### ANNEXURE "C" "TO THE DIRECTORS' REPORT

The information as required under Section 197(12) of the Companies Act, 1956 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Remuneration paid to Directors and Key Managerial Personnel :

Sl. No.	Name	Title/Category	Remuneration in Financial Year 2015-16	Remuneration in Financial Year 2014-15	% increase remuneration	Ratio of remuneration to the MRE
1.	Kundan Lal Bhatia	Chairman Cum Managing Director	1800000.00	1800000.00	–	71.08
2.	Kapil Bhatia	Managing Director–KMP	1500000.00	1500000.00	–	68.26
3.	Neeraj Bhatia	Chief Financial Officer–KMP	1500000.00	1500000.00	–	68.26
4.	Mamta Bhatia	Whole Time Director	1440000.00	1440000.00	–	64.16
5.	Manju Bhatia	Whole Time Director	1200000.00	450000.00	–	61.08
6.	P. K. Goenka	Independent Director	30000.00	40000.00	–	–
7.	R. N. Trivedi	Independent Director	40000.00	30000.00	–	–
8.	R.K. Bhatia	Independent Director	10000.00	30000.00	–	–
9.	N. P. Singh	Independent Director	10000.00	40000.00	–	–
10.	Shri Yashpal	Independent Director	40000.00	40000.00	–	–
11.	Shri Dhruv Bhasin	Company Secretary–KMP	328560.00	186000.00	–	12.64

There is no employee of the Company who has received remuneration in excess to the highest paid Director of the Company.

**EXTRACT OF ANNUAL RETURN**
**(As on the financial year ended on 31st March, 2016)**
**[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies Management and Administration) Rules, 2014]**
**I. REGISTRATION AND OTHER DETAILS:**

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

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

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

Sl.No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Manufacture of tubes, pipes and hollow profiles and of tube and pipe fittings of cast-iron/cast steel	2431	100

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

SI. No	Name and address of the Company	CIN/GLN Associate	Holding/ Subsidiary/ held	% of shares	Applicable Section
	N.A.	N.A.	N.A.	N.A.	N.A.

## THIRTY SIXTH ANNUAL REPORT

### I. SHARE HOLDING PATTERN (Equity Share Capital breakup as percentage of total Equity)

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	1992863	NIL	1992863	50.6	1992863	NIL	1992863	50.6	Nil
(b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (A) (1)</b>	1992863	NIL	1992863	50.6	1992863	NIL	1992863	50.6	Nil
<b>(2) Foreign</b>									
(a) NRIs									
Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Other									
Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (A) (2)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total Shareholding of Promoter (A)= (A) (1)+(A) (2)</b>	1992863	NIL	1992863	50.6	1992863	NIL	1992863	50.6	Nil
<b>(B) Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Banks/FI	400	Nil	400	.01	400	Nil	400	.01	Nil
(c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Venture									
Capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) Insurance									
Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(h) Foreign Venture									
Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(i) Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (B)(1)</b>	400	Nil	400	.01	400	Nil	400	.01	Nil
<b>(2) Non- Institutions</b>									
<b>(a) Bodies Corp</b>									
i. Indian	276923	84100	361023	9.17	210561	84100	294661	7.48	1.66
ii. Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>(b) individuals</b>									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	748532	537385	1285917	32.65	695856	517085	1212941	30.80	1.78

ii. Individual shareholders holding nominal share capital in excess of 1 lakh	510723	25000	535723	13.60	403680	25000	428680	10.88	2.95
(c) Others (Specify)	6710	5100	11810	.296	3866	5100	8966	.23	0
<b>(C) Others (Specify)</b>									
Sub–Total (B)(2)	1542888	651985	2194873	55.72	1313963	631285	1945248	49.39	6.39
Total Public Shareholding (B)=(B)(1)+ (B) (2)	1536578	646485	2183063	55.73	1314363	631285	1945648	49.04	6.39
C. Shares held by custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	<b>3286526</b>	<b>651985</b>	<b>3938511</b>	<b>100</b>	<b>3307026</b>	<b>631485</b>	<b>3938511</b>	<b>100</b>	<b>12.71</b>

**(ii) Shareholding of Promoters:**

S. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Shri K.L Bhatia	3,32,648	8.45%	0.00%	3,32,648	8.45%	0.00%	0.00%
2.	K.L Bhatia HUF	41075	1.04%	0.00%	41075	1.04%	0.00%	0.00%
3.	Shri Puran Chand Bhatia	866130	21.99%	0.00%	866130	21.99%	0.00%	0.00%
4.	Smt. Kamla Bhatia	59127	1.50%	0.00%	59127	1.50%	0.00%	0.00%
5.	Shri Neeraj Bhatia	124365	3.16%	0.00%	124365	3.16%	0.00%	0.00%
6.	Smt. Shyama Bhatia	90702	2.30%	0.00%	90702	2.30%	0.00%	0.00%
7.	Shri Chandan Bhatia	84597	2.15%	0.00%	84597	2.15%	0.00%	0.00%
8.	Shri Mannu Bhatia	95280	2.42%	0.00%	95280	2.42%	0.00%	0.00%
9.	Shri Kapil Bhatia	180074	4.57%	0.00%	180074	4.57%	0.00%	0.00%
10.	Smt. Manju Bhatia	20380	.52%	0.00%	20380	.52%	0.00%	0.00%
11.	Smt Priya Bhatia	16040	.41%	0.00%	16040	.41%	0.00%	0.00%
12.	Smt Preeti Bhatia	14340	.36%	0.00%	14340	.36%	0.00%	0.00%
13.	P C Bhatia HUF	30067	.76%	0.00%	30067	.76%	0.00%	0.00%
14.	Smt. Mamta Bhatia	38038	.97%	0.00%	38038	.97%	0.00%	0.00%
	<b>TOTAL</b>	<b>1992863</b>	<b>50.60%</b>	<b>0.00%</b>	<b>1992863</b>	<b>50.60%</b>	<b>0.00%</b>	<b>0.00%</b>

## THIRTY SIXTH ANNUAL REPORT

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

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on 31st March, 2016 :

S. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Ashari Properties & Finances Ltd				
	At the beginning of the Year	76600	1.94 %	96200	2.44 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	76600	1.94 %	96200	2.44 %
2.	Sandeep Tandon				
	At the beginning of the Year	25000	0.63 %	25000	0.63 %
	Bought during the Year	0	0.00 %	0.00 %	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0.00 %	0.00 %
	At the end of the Year	25000	0.63 %	25000	0.63 %
3.	Banhem Stock Broking Private Limited				
	At the beginning of the Year	30266	0.77 %	30263	0.77 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	30266	0.77 %	30263	0.77 %
4.	Camel Foods Pvt Ltd.				
	At the beginning of the Year	33593	0.85 %	33593	0.85 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	33593	0.85 %	33593	0.85 %
5.	Dheeraj Kumar Lohia				
	At the beginning of the Year	56738	1.44%	56738	1.44%
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	56738	1.44%	56738	1.44%
6.	Vishpa Rail Equipments Pvt.Ltd				
	At the beginning of the Year	30987	0.79%	30987	0.79%
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	30987	0.79%	30987	0.79%



S. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7.	Kokilaben Dinkerray Raval				
	At the beginning of the Year	27061	0.69%	27061	0.69%
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	27061	0.69 %	27061	0.69 %
8.	Ashish Chugh				
	At the beginning of the Year	35781	0.91 %	35781	0.91 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	35781	0.91 %	35781	0.91 %
9.	Vishpa Rail Equipments Limited				
	At the beginning of the Year	96200	2.44 %	96200	2.44 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	96200	2.44 %	96200	2.44 %
10.	Sangeetha S				
	At the beginning of the Year	61090	1.55 %	61090	1.55 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	61090	1.55 %	61090	1.55 %

**(v) Shareholding of Directors and Key Managerial Personnel as on 31st March, 2016 :**

S. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Shri K.L Bhatia				
	At the beginning of the Year	332648	8.45 %	332648	8.45 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	332648	8.45 %	332648	8.45 %
2.	Shri Kapil Bhatia (Managing Director)				
	At the beginning of the Year	180074	4.57 %	180074	4.57 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	180074	4.57 %	180074	4.57 %

## THIRTY SIXTH ANNUAL REPORT

S. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Comulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
3.	Shri Neeraj Bhatia (CFO)				
	At the beginning of the Year	124365	3.16 %	124365	3.16 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	124365	3.16 %	124365	3.16 %
4.	Smt. Mamta Bhatia				
	At the beginning of the Year	38038	0.97 %	38038	0.97 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	38038	0.97 %	38038	0.97 %
5.	Smt. Manju Bhatia				
	At the beginning of the Year	20380	0.52 %	20380	0.52 %
	Bought during the Year	0	0.00%	0	0.00%
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	20380	0.52 %	20380	0.52 %
6.	Shri P. K. Goenka				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %
7.	Shri Yashpal				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %
8.	Shri R.N Trivedi				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %

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

S. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Comulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Shri K.L Bhatia				
	At the beginning of the Year	332648	8.45 %	332648	8.45 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	332648	8.45 %	332648	8.45 %
2.	Shri Kapil Bhatia (Managing Director)				
	At the beginning of the Year	180074	4.57 %	180074	4.57 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	180074	4.57 %	180074	4.57 %
3.	Shri Neeraj Bhatia ( CFO)				
	At the beginning of the Year	124365	3.16 %	124365	3.16 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	124365	3.16 %	124365	3.16 %

## THIRTY SIXTH ANNUAL REPORT

### V. INDEBTEDNESS

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

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	822.35	20.07	147.25	989.67
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	822.35	20.07	147.25	989.67
<b>Change in Indebtedness during the financial year</b>				
* Addition	210.31	150.50	–	360.81
* Reduction	(77.40)	(.07)	–	(77.47)
Net Change	132.91	150.43	–	283.34
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	955.26	170.50	147.25	1273.01
ii) Interest due but not paid	–	5.17	–	5.17
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	955.26	175.67	147.25	1278.18

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

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Kundan Lal Bhatia	Kapil Bhatia	Neeraj Bhatia	Mamta Bhatia	Manju Bhatia	
	Designation	CMD	MD	CFO	Director	Director	
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18.00	15.00	15.00	14.40	12.00	74.40
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	1.03	1.03	–	–	2.06
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	7.50	10.42	10.42	2.40	2.20	32.94
2.	Stock Option	–	–	–	–	–	–
3.	Sweat Equity	–	–	–	–	–	–
4.	Commission	–	–	–	–	–	–
	– as % of profit	–	–	–	–	–	–
	– others, specify	–	–	–	–	–	–
5.	Others, please specify	–	–	–	–	–	–
	Total (A)	25.50	26.45	26.45	16.80	14.20	109.40
	Ceiling as per the Act						

**B. Remuneration to other Directors: NIL**

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		P. K. Goenka	R. N. Trivedi	R.K. Bhatia	N.P. Singh	Yashpal	
1.	<b>Independent Director</b>						
	Fee for attending board committee meetings	0.30	0.40	0.10	0.30	0.40	1.50
	Commission						
	Others, please specify						
	<b>Total (1)</b>	<b>0.30</b>	<b>0.40</b>	<b>0.10</b>	<b>0.30</b>	<b>0.40</b>	<b>1.50</b>
2.	<b>Other Non-Executive Directors</b>						
	Fee for attending board committee meetings						
	Commission						
	Others, please specify						
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>0.30</b>	<b>0.40</b>	<b>0.10</b>	<b>0.30</b>	<b>0.40</b>	<b>1.50</b>
	<b>Total Managerial Remuneration</b>						
	Overall Ceiling as per the Act						

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel	Total Amount
	<b>Designation</b>	<b>Company Secretary</b>	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		3.28
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-
2.	Stock Option		-
3.	Sweat Equity		-
4.	Commission		-
	- as % of profit		-
	- others, specify		-
5.	Others, please specify		-
	<b>Total</b>		<b>3.28</b>

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

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



## THIRTY SIXTH ANNUAL REPORT

**ANNEXURE-'E' TO THE DIRECTOR'S REPORT**

**Form No. MR-3**

### **SECRETARIAL AUDIT REPORT**

**FOR PERIOD ENDED 31ST MARCH, 2016**

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

To:

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

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

Based on our verification of the Company's books, paper, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period ended on 31st March, 2016, complied with the statutory provision listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and return filed and other records maintained by Company for period ended on 31st March, 2016 according to the provision of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under ;
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iii) The following Regulation and Guidelines prescribed under the Securities and Exchange Board of Indian Act, 1992 ('SEBI Act'):-
  - a) The Securities And Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (prohibitions of insider trading)Regulations,1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement Regulations, 2009; during the period under review, the company has not issued any capital.
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;  
The company has not issued any Employee Stock Option to its employees;  
Therefore the guidelines are not applicable,
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008;  
The company has no outstanding Debt Securities; therefore the Regulations are not applicable
- (iv) The Company has made compliance of other applicable laws.

We have also examined compliance with applicable clauses of Listing Agreement entered into by the Company with the Stock Exchange.

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

We further report that the board of directors of the company is duly constituted with proper balance of executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

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

For P. MANGHWANI & ASSOCIATES

*(Company Secretaries)*

Priyanka Manghwani

*Proprietor*

(M NO. A23692)

(CP No. 12498)

Date : 13/08/2016

Place : Kanpur

## THIRTY SIXTH ANNUAL REPORT

### Annexure –‘F’

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

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

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

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2016 which were not at arm's length price.

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

The details of material contracts or arrangements or transactions entered in to during the year ended March 31, 2016 which were at arm's length basis

SI	Name of Related party	Nature of Relationship	Nature of Contract/ arrangement/ transaction	Duration of Contract	Date of Approval	Amount Paid	Advances
1.	Mr. Kundan Lal Bhatia	Key Management Person	Remuneration, LTC, Perquisites, E. Leave & Incentive	5	14.02.2015	25,50,000.00	NIL
2.	Mr. Kapil Bhatia	Key Management Person	Remuneration Perquisites, E. Leave, Contribution to NPS & Incentive	5	13.11.2014	26,45,000.00	NIL
3.	Mr. Neeraj Bhatia	Key Management Person	Remuneration Perquisite, E. Leave, Contribution to NPS & Incentive	5	14.02.2015	26,45,,000.00	NIL
4.	Smt. Mamta Bhatia	Key Management Person	Remuneration E. Leave, Contribution to NPS & Incentive	5	16.05.2014	16,80,000.00	NIL
5.	Smt. Manju Bhatia	Key Management Person	Remuneration E. Leave, Contribution to NPS & Incentive	5	14.11.2013	14,20,000.00	NIL
6	Mr. Neeraj Bhatia	Key Management Person	Interest on Deposits	5		5,32,015.00	NIL
7.	Mr. Kundan Lal Bhatia	Key Management Person	Interest on Deposits	5		1,75,183.00	NIL
8.	Mr. Kapil Bhatia Person	Key Management Person	Interest on Deposits	5		3,36,510.00	NIL
9.	Smt. Mamta Bhatia	Key Management Person	Interest on Deposits	5		97,855.00	NIL
10.	Smt. Manju Bhatia	Key Management Person	Interest on Deposits	5		1,35,857.00	NIL
11.	M/s Frontier Alloy Steels Ltd	Associate Concern	Sales	5	13.08.2014	6,71,77,335.00	NIL
			Job work Paid	5	13.08.2014	61,400.00	NIL
12.	M/s Frontier Corporation	Associate Concern	Purchase	5	13.08.2014	4,30,698.00	NIL
			Job work Paid	5	13.08.2014	5,32,260.00	NIL
13	M/s Vishpa Rail Equipments Pvt. Ltd.	Associate Concern	Job work Paid	5	13.08.2014	60,12,450.00	NIL
			Rent Recd.	5	13.08.2014	60,000.00	NIL
			Interest on Deposits	5	13.08.2014	16,24,188.00	NIL

## Nomination and Remuneration Policy

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

### 1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The Key Objectives of the Committee would be:

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

### 2. DEFINITIONS

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

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

**Directors** mean Directors of the Company.

**Key Managerial Personnel** means

Chief Executive Officer or the Managing Director or the Manager;

Whole-time director;

Chief Financial Officer;

Company Secretary; and

such other officer as may be prescribed.

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

### 3. ROLE OF COMMITTEE

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

The Committee shall:

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

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

##### 3.2.1. Appointment criteria and qualifications

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

who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

### 3.2.2. Term / Tenure

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

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

#### b) Independent Director:

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

be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.

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

### 3.2.3. Evaluation

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

### 3.2.4. Removal

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

### 3.2.5. Retirement

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

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

#### 3.3.1. General:

- a) The remuneration / compensation / commission etc. to the Whole-time

Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

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

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

**a) Fixed pay:**

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

pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**b) Minimum Remuneration:**

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

**c) Provisions for excess remuneration:**

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

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

**a) Remuneration / Commission:**

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

**b) Sitting Fees:**

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

## THIRTY SIXTH ANNUAL REPORT

or Committee or such amount as may be prescribed by the Central Government from time to time.

**c) Commission:**

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

**d) Stock Options:**

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

### 4. MEMBERSHIP

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

### 5. CHAIRPERSON

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

### 6. FREQUENCY OF MEETINGS

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

### 7. COMMITTEE MEMBERS' INTERESTS

- 7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

- 7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

### 8. SECRETARY

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

### 9. VOTING

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

### 10. NOMINATION DUTIES

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

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



10.9 Recommend any necessary changes to the Board; and

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

#### **11. REMUNERATION DUTIES**

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

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

11.2 to approve the remuneration of the Senior Management including key managerial

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

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

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

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

#### **12. MINUTES OF COMMITTEE MEETING**

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



### INDEPENDENT AUDITOR'S REPORT

To the Members of M/s Frontier Springs Limited Regd. off. E-14, Panki Industrial Area, Site No.1, Kanpur.

#### Report on the Financial Statement

We have audited the accompanying financial statements of Frontier Springs Limited ("the Company") which comprise the Balance Sheet as at 31st March 2016, the Profit and Loss Statement, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under provisions of the Act and Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan, perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of

the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls systems over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profits /loss and its cash flows for the year ended on that date.

- i) In few cases balance of sundry debtors, sundry creditors and sundry advances are subject to confirmation from respective parties.
- ii) Inventory of finished goods are valued at net realisable value (refer Note no. J of significant Accounting policies).
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2016;
  - (b) in the case of the Statement of profit and Loss, of the Profit of the Company for the year ended on the date, and
  - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on the date.

#### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company

so far as it appears from our examination of those books.

- (c) The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Account) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors)

Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us;

- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Notes X to the financial statements.
- (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any and as required on long-term contracts including derivative contracts.

Sanjay Nandani & Co.  
229, IInd Floor,  
City Centre, The Mall,  
Kanpur  
Date : 28.05.2016

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

## THIRTY SIXTH ANNUAL REPORT

### ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 1 of the Auditor's Report to the shareholders of Frontier Springs Limited Regd. Off. KM-25/4 Kalpi Road Rania Kannpur-Dehat on the account for the year ended on 31st March, 2016.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and the situation of fixed assets on the basis of available information.  
(b) As explained to us ,all the fixed assets have been physically verified by the management in a phased periodical manner ,which in our opinion is reasonable ,having regard to the size of the company and the nature of its assets .No material discrepancies were noticed on such physical verification .
2. (a) The inventories have been physically verified during the year by the management .In our opinion, the frequency of verification is reasonable.  
(b) In our opinion and to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) The Company has maintained proper records of inventories .As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. The Company has not granted any loans, secured or unsecured to companies, firms or parties covered in the register maintained under section 189 of Companies Act, 2013.
4. In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system
5. The Company has no accepted deposits, as per the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed.
6. The Central Government has prescribed maintenance of cost records under Section 148(1) of the Companies Act, in respect of certain manufacturing activities of the Company. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion, that prima facie, the prescribed accounts and record have been made and maintained. We have not, however, carried out a detailed examination of the same.
7. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess 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 and Service tax. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for the period exceeding 6 months from the date of becoming payable.  
(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, custom duty, excise duty and cess, which have not been deposited on account of dispute.  
(c) There is no amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 (1 of 1956) and rules made there under.
8. The Company does not have accumulated losses at the end of the financial year covered by the audit and in the immediately preceding financial year.
9. Based on our audit procedures and according to the information and explanation given to us, we are of opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
10. As per the information furnished to us by the management, the Company has not given guarantees for loans taken by others from banks and financial institutions.
11. The Company has raised new term loan during the year. The term loan outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
12. 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 before by the company has been noticed or reported during the course of our audit.

Sanjay Nandani & Co.  
229, 11nd Floor,  
City Centre, The Mall,  
Kanpur  
Date : 28.05.2016

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

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# A C C O U N T S

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## THIRTY SIXTH ANNUAL REPORT

### BALANCE SHEET AS ON 31ST MARCH, 2016

	Note No.	Figure as at 31st March, 2016 Rs.	Figure as at 31st March, 2015 Rs.
<b>I. Equity &amp; Liabilities</b>			
<b>1. Share's Holder Funds</b>			
(A) Share Capital	1	3,96,32,110.00	3,96,32,110.00
(B) Reserves and Surplus	2	20,05,19,588.56	19,54,40,282.82
(C) Money Received Against Share Warrants	3	0.00	0.00
<b>2. Share Application Money Pending Allotment</b>	4	<b>0.00</b>	<b>0.00</b>
<b>3. Non-current Liabilities</b>			
(A) Long-term Borrowings	5	5,77,85,708.00	4,40,54,964.00
(B) Deferred Tax Liabilities (Net)	6	1,58,03,770.00	1,28,85,731.00
(C) Other Long-term Liabilities	7	4,88,450.00	7,94,508.00
(D) Long-term Provisions	8	34,32,538.00	21,43,802.54
<b>4. Current Liabilities</b>			
(A) Short-term Borrowings	9	7,00,32,006.61	5,49,11,882.20
(B) Trade Payables	10	11,78,62,867.57	9,08,89,034.33
(C) Other Current Liabilities	11	50,63,342.50	58,29,153.00
(D) Short-term Provisions	12	1,42,34,007.80	1,03,51,193.49
Total		<b>52,48,54,389.04</b>	<b>45,69,32,661.38</b>
<b>II. ASSETS</b>			
<b>1. Non-current Assets</b>			
(A) Fixed Assets			
(i) Tangible Assets	13	22,65,06,760.18	15,84,60,220.14
(ii) Intangible Assets		0.00	0.00
(iii) Capital Work in Progress	13	85,29,978.00	6,31,46,259.37
(iv) Intangible Assets Under Development		0.00	0.00
(B) Non-current Investments	14	0.00	0.00
(C) Deferred Tax Assets (Net)		0.00	0.00
(D) Long-term Loans & Advances	15	93,99,020.49	79,42,514.99
(E) Other Non-current Assets	16	33,32,363.00	18,62,563.00
<b>2. Current Assets</b>			
(A) Current Investments	17	0.00	0.00
(B) Inventory	18	15,00,88,747.13	12,67,18,500.03
(C) Trade Receivables	19	10,19,10,630.00	7,66,62,805.28
(D) Cash and Cash Equivalents	20	1,72,25,898.08	1,46,78,726.95
(E) Short-term Loans And Advances	21	28,34,563.43	29,08,096.96
(F) Other Current Assets	22	50,26,428.73	45,52,974.66
Total		<b>52,48,54,389.04</b>	<b>45,69,32,661.38</b>

Significant Accounting Policies and Notes on  
Financial Statements

A to W &  
1 to 36

As per our Report of even date.

For SANJAY NANDANI & CO.  
*Chartered Accountants*  
Firm Registration No. 006941 C  
SANJAY MALHOTRA  
*Partner*  
Membership No. 71140  
Place : Kanpur  
Date : 28.05.2016

For and on behalf of Board of Directors

K. L. BHATIA  
*Chairman & Managing Director*

KAPIL BHATIA  
*Managing Director*

NEERAJ BHATIA  
*CFO*

DHRUV BHASIN  
*Company Secretary*

SANJAY NIGAM  
*Manager Accounts*

**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	Note No.	Figure as at 31st March, 2016 Rs.	Figure as at 31st March, 2015 Rs.
<b>INCOME</b>			
I. Revenue From Operations	23	<b>40,86,46,089.36</b>	36,09,01,339.00
II. Other Income	24	<b>29,76,120.14</b>	24,90,071.74
III. Total Revenue (I + II)		<b>41,16,22,209.50</b>	36,33,91,410.74
IV. Expenditure :.			
Cost of Material Consumed	25	<b>20,00,87,163.91</b>	18,07,63,344.84
Changes in Inventories of Finished Goods and Work-in-progress	26	<b>(50,41,238.56)</b>	(64,14,733.53)
Employee Benefit Expenses	27	<b>1,65,72,785.81</b>	1,51,43,263.74
Finance Cost	28	<b>1,36,70,798.00</b>	90,52,370.00
Depreciation and Amortisation Expenses	29	<b>1,48,74,303.90</b>	1,32,80,468.71
Other Expenses	30	<b>16,14,35,839.71</b>	14,59,32,088.17
Total Expenses		<b>40,15,99,652.77</b>	35,77,56,801.93
V. Profit Before Exceptional and Extraordinary Items and Tax (III- IV)		<b>1,00,22,556.73</b>	56,34,608.81
VI. Exceptional Items		<b>0.00</b>	0.00
VII. Profit Before Extraordinary Items and Tax (V - VI)		<b>1,00,22,556.73</b>	56,34,608.81
VIII. Extraordinary Items		<b>0.00</b>	0.00
IX. Profit Before Tax (VII- VIII)		<b>1,00,22,556.73</b>	56,34,608.81
X. Tax Expenses:			
(1) Current Tax		<b>(20,25,212.00)</b>	(10,92,933.00)
(2) Deferred Tax		<b>(29,18,039.00)</b>	(4,77,006.00)
XI. Profit (Loss) for the period from Continuing Operations (X- XI).		<b>50,79,305.73</b>	40,64,669.81
XII. Profit (Loss) for Discontinuing Operations		<b>0.00</b>	0.00
XIII. Tax Expenses of Discontinuing Operations		<b>0.00</b>	0.00
XIV. Profit (Loss) for Discontinuing Operations (After Tax) (XII- XIII)		<b>0.00</b>	0.00
XV. Profit (Loss) for the period (XI + XIV)		<b>50,79,305.73</b>	40,64,669.81
XVI. Earning Per Equity Share of Face Value of Rs.10 Each	31		
(1) Basic		<b>1.29</b>	1.03
(2) Diluted			
Significant Accounting Policies and Notes on Financial Statements	A to W & 1 to 36		

As per our Report of even date.

For SANJAY NANDANI & CO.  
Chartered Accountants  
Firm Registration No. 006941 C  
SANJAY MALHOTRA  
Partner  
Membership No. 71140  
Place : Kanpur  
Date : 28.05.2016

For and on behalf of Board of Directors

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

## THIRTY SIXTH ANNUAL REPORT

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	As at 31.03.2016	(Rs. in Lacs) As at 31.03.2015
<b>A) Cash Flow From Operating Activities :</b>		
Net Profit Before Tax	100.23	56.35
Item Adjustment For :-		
Depreciation & Amortisation Expenses	148.74	132.80
Interest Expenditure (Bank & Loan)	136.71	90.52
Rental Income	(0.60)	(0.60)
Interest Income	(21.04)	(15.94)
Dividend Income	0.00	(0.22)
Max Life Insurance Maturity Recd.	(7.13)	0.00
Profit on Sale of Car/ Plant & Machinery	(0.19)	(4.14)
Long Term Capital Gain	0.00	(3.85)
Jobwork Income	(0.80)	(0.15)
Loss on Sale of Car Taken as Extra Ordinary Item	0.33	0.48
Hire Charges	2.15	1.47
Operating Profit Before Working Capital Changes	358.40	256.72
Adjustment For :-		
Inventories	(233.71)	(157.30)
Sundry Debtors	(252.48)	256.88
Loan & Advances	(33.27)	(2.04)
Sundry Creditors	269.75	184.56
Sundry Provisions	41.00	(15.27)
Cash Generated From Operations	149.69	523.55
Extra Ordinary Items	(0.33)	(0.48)
Tax Paid	(20.25)	(10.93)
<b>Net Cash (Used In)From Operating Activities (A)</b>	<b>129.11</b>	<b>512.14</b>
<b>(B) Cash Flow From Investing Activities :</b>		
Increase in Fixed Assets	(289.96)	(376.73)
Investment	0.00	20.44
Sale of Fixed Assets	6.91	13.75
Interest Received	21.04	15.94
Dividend Received	0.00	0.22
Max Life Insurance Maturity Recd.	7.13	0.00
Profit on Sale of Car/ Plant & Machinery	0.19	4.14
Jobwork Income	0.80	0.15
Long Term Capital Gain	0.00	3.85
Rent Received	0.60	0.60
<b>Net Cash (Used in)/from Investing Activities (B)</b>	<b>(253.29)</b>	<b>(317.64)</b>
<b>(C) Cash Flow From Financing Activities</b>		
Proceeds from Share Capital	0.00	0.00
Proceeds/(Repayment) from Borrowings	151.20	(95.93)
Proceeds/(Repayment) of Unsecured Loan	137.31	0.47
Interest Paid (Bank & Loan)	(136.71)	(90.52)
Hire Charges	(2.15)	(1.47)
<b>Net Cash(used in)/from Financing Activities (C)</b>	<b>149.65</b>	<b>(187.45)</b>
Net(Decrease)/Increase In Cash and Cash Equivalents (A+B+C)	25.47	7.05
Cash and Cash Equivalents-Opening	146.79	139.74
Cash and Cash Equivalents-Closing	172.26	146.79

As per our Report of even date.

For SANJAY NANDANI & CO.  
Chartered Accountants  
Firm Registration No. 006941 C  
SANJAY MALHOTRA  
Partner  
Membership No. 71140  
Place : Kanpur  
Date : 28.05.2016

For and on behalf of Board of Directors

K. L. BHATIA  
Chairman & Managing Director

KAPIL BHATIA  
Managing Director

NEERAJ BHATIA  
CFO

DHRUV BHASIN  
Company Secretary

SANJAY NIGAM  
Manager Accounts



## **SIGNIFICANT ACCOUNTING POLICIES**

### **Company Overview**

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

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

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

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

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

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

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

### **C. Own Fixed Assets**

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

### **D. Leased Assets**

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

### **E. Intangible Assets**

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

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

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

### **G. Impairment of Assets**

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



## THIRTY SIXTH ANNUAL REPORT

### H. Foreign Currency Transactions

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

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

### I. Investments

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on Management's intention at the time of purchase and there is no current investment. Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

### J. Inventories

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

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

Closing stock of Finished Goods & Scrap amounting to Rs. 2,31,05,242.43 (Pre.Yr.Rs.2,08,21,247.16) includes the amount of Excise duty amounting to Rs.15,23,563.00 (Pre.Yr. amount of excise duty, education cess and higher secondary education cess Rs.13,84,464.00). The Company has provided the excise duty on closing stock of finished goods & scrap to Profit & Loss account for the current year.

### K. Revenue Recognition

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

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

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

### M. Retirement benefits to employees

#### Gratuity

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

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

**Provident fund**

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

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

**N. Employee Separation Costs**

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

**O. Borrowing Costs**

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

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

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

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

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

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

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

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

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

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

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

The Company is contingently liable towards Bank Guarantee provided to the tune of Rs. 218.27 lacs in favour of Indian Railways and H.P.S.E.B. and contingently liable towards Letter of credit provided to the tune of Rs. 440.83 lacs in favour of M/s Sun Flag Iron & Steel Co. Ltd., M/s Deepa Sales & M/s Asian Colour Coated Ispat Ltd. and Central UP GAS Limited (Prev. Yr. Bank guarantee of Rs. 225.96 lacs in favour of Indian Railways and H.P.S.E.B. and Letter of credit of Rs.436.76 lacs in favour of M/s SunFlag Iron & Steel Co. Ltd., M/s Deepa Sales & M/s Asian Colour Coated Ispat Ltd and Central UP GAS Limited,).

**U. Earnings per share**

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic Earnings Per Share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the

## THIRTY SIXTH ANNUAL REPORT

shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

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

### **V. Cash and cash Equivalents**

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

### **W. Cash Flow Statement**

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

**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**

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

Particulars	Figure as at 31st March, 2016 Rs.	Figure as at 31st March, 2015 Rs.
<b>1. Share Capital</b>		
<b>Authorised Capital:</b>		
50,00,000 Equity Shares of Rs.10/- each	5,00,00,000.00	5,00,00,000.00
10,000 12% Redeemable Preference Shares of Rs. 100/- Each Redeemable After 5 Years	10,00,000.00	10,00,000.00
Total	5,10,00,000.00	5,10,00,000.00
<b>Issued Capital</b>		
39,87,911 Equity Shares of Rs. 10/- Each (Including 12,57,500 Shares Issued As Bonus)	3,98,79,110.00	3,98,79,110.00
Total	3,98,79,110.00	3,98,79,110.00
<b>Subscribed And Paid Up Capital</b>		
39,38,511 Equity Shares of Rs. 10/- Each Fully Paid Up (Including 12,57,500 Shares Issued As Bonus)	3,93,85,110.00	3,93,85,110.00
49,400 Equity Share Forfeited (Paid Up Rs.5/- Only)	2,47,000.00	2,47,000.00
Total	3,96,32,110.00	3,96,32,110.00

The Company has issued only one class of shares referred to as equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the share holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The proportion to the number of equity shares held by the shareholders.

Share Capital	Figure as at 31st March, 2016 Rs.	Figure as at 31st March, 2015 Rs.
<b>Authorised Capital:</b>		
50,00,000 Equity Shares of Rs.10/- each	5,00,00,000.00	5,00,00,000.00
10,000 12% Redeemable Preference Shares of Rs. 100/- Each Redeemable After 5 Years	10,00,000.00	10,00,000.00
<b>Issued Capital</b>		
39,87,911 Equity Shares of Rs. 10/- each (Including 12,57,500 Shares Issued As Bonus)	3,98,79,110.00	3,98,79,110.00
<b>Subscribed And Paid Up Capital</b>		
39,38,511 Equity Shares of Rs. 10/- each (Including 12,57,500 Shares Issued as Bonus)	3,93,85,110.00	3,93,85,110.00
49,400 Share Forfeiture (Paid Up Rs.5/- only)	2,47,000.00	2,47,000.00
A) Share Held by Ultimate Holding Company and its Subsidiaries	<b>Not Applicable</b>	Not Applicable
B) Reconciliation of Share outstanding balance at the	<b>No. of Shares/ Amount</b>	<b>No. of Shares/ Amount</b>
Beginning of the year	3938511/39385110	39,38,511/3,93,85,110
Add : Issued during the year	Nil	Nil
Balance at the end of the year	3938511/39385110	39,38,511/3,93,85,110
C) Details of Share Holders Holding more than 5% of the aggregate Share in the Company.		
Name of Share Holders	No. of Shares	Amount
1. Kundan Lal Bhatia	3,32,648	33,26,480.00
2. Puran Chand Bhatia	6,17,105	61,71,050.00
3. Charan Dass Bhatia	2,70,758	27,05,780.00
Right, Preference and Restriction attached to shares	Nil	Nil
D) The Company has equity shares having par value of Rs.10/- Each shareholder is eligible for one vote per share held.		

## THIRTY SIXTH ANNUAL REPORT

### NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

Particulars	Figure as at 31st March, 2016 Rs.	Figure as at 31st March, 2015 Rs.
<b>2. RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
Opening Balance	0.00	0.00
<i>Add</i> : Transferred from Surplus.	0.00	0.00
<b>Closing Balance</b>	<b>0.00</b>	<b>0.00</b>
Securities Premium Account ; (On 22,27,500 Equity Shares of Rs.10/- Each Per Share Including Premium Received @ 5/- on 49,400 Shres Foefeited)		
<b>Opening Balance</b>	<b>22,20,28,000.00</b>	22,20,28,000.00
<i>Add</i> : Non Issue of Shares.	0.00	0.00
<b>Closing Balance</b>	<b>22,20,28,000.00</b>	22,20,28,000.00
General Reserve		
Opening Balance	2,00,00,000.00	2,00,00,000.00
<i>Add</i> : Transferred from Surplus.	0.00	0.00
<b>Closing Balance</b>	<b>2,00,00,000.00</b>	2,00,00,000.00
Surplus		
Opening Balance	15,34,12,282.82	14,93,47,613.01
<i>Add</i> : Net Profit After Tax Transferred From Statement of Profit and Loss	50,79,305.73	40,64,669.81
Amount Available for Appropriation	<b>15,84,91,588.56</b>	15,34,12,282.82
Appropriations:		
Dividend Tax	0.00	0.00
Closing Balance	<b>15,84,91,588.56</b>	15,34,12,282.82
Total	<b>20,05,19,588.56</b>	19,54,40,282.82
<b>3. MONEY RECEIVED AGAINST SHARE WARRANTS;</b>		
Total.	<b>0.00</b>	0.00
<b>4. SHARE APPLICATION MONEY PENDING ALLOTMENT;</b>		
Total	<b>0.00</b>	<b>0.00</b>

**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**

Particulars	Figure as at 31st March, 2016 Rs.	Figure as at 31st March, 2015 Rs.
<b>5. LONG-TERM BORROWINGS</b>		
<b>(i) Term Loans</b>		
Kotak Mahindra Prim. Ltd. Car Loan	<b>14,19,537.00</b>	14,51,908.00
Mahindra & Mahindra Financial Services Ltd.	<b>3,54,778.00</b>	0.00
Toyota Financial Services India Ltd. (All Car Loan Against Hypothecation of Cars)	<b>1,58,080.00</b>	0.00
State Bank of India Term Loan A/c (Term Loan Against Hypothecation of P/M)	<b>23,561,522.00</b>	2,58,71,068.00
Total	<b>2,54,93,917.00</b>	2,73,22,976.00
<b>(ii) Deposits</b>		
(Inter Corporate Body Deposits)		
Vishpa Rail Equipments Pvt. Ltd.	<b>14,7,25,000.00</b>	1,47,25,000.00
Total	<b>14,7,25,000.00</b>	1,47,25,000.00
<b>(iii) Unsecured Loan</b>		
K. L. Bhatia	<b>26,57,665.00</b>	0.00
Kapil Bhatia	<b>49,69,709.00</b>	0.00
Mamta Bhatia	<b>14,85,789.00</b>	0.00
Neeraj Bhatia	<b>66,09,200.00</b>	20,06,988.00
Manju Bhatia	<b>18,44,428.00</b>	0.00
Total	<b>1,75,66,791.00</b>	20,06,988.00
Total	<b>5,77,85,708.00</b>	4,40,54,964.00

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

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

S.No. Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
	Accumulated Deferred tax Assets	Accumulated Deferred tax Liability	Accumulated Deferred tax Assets	Accumulated Deferred tax Liability
1. Unabsorbed depreciation and losses	—	—	—	—
2. Amount Add back u/s 43B Bonus Payable	<b>3,04,215.00</b>	—	2,42,893.00	—
Leave encashment payable	<b>2,41,398.00</b>	—	1,96,201.00	—
Gratuity Payable	<b>4,19,932.00</b>	—	4,95,566.00	—
3. Difference between book and tax depreciation	—	<b>1,67,69,313.00</b>	—	1,38,20,391.00
Total	<b>9,65,543.00</b>	<b>1,67,69,313.00</b>	9,34,660.00	1,38,20,391.00
Net Deferred Tax Liability	<b>1,58,03,770.00</b>		1,24,08,725.00	

The difference Deferred Tax Liability for the year ended 31st March, 2016 Rs. 29,18,039.00 has been debited to Profit & Loss Account.

## THIRTY SIXTH ANNUAL REPORT

### NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

Particulars	Figure as at 31st March, 2016 Rs.	Figure as at 31st March, 2015 Rs.
<b>7. OTHER LONG-TERM LIABILITIES</b>		
(i) Un-claimed Dividend (2010-11)	1,84,618.00	3,84,726.00
(ii) Un-claimed Dividend (2011-12)	3,03,832.00	4,09,782.00
Total	4,88,750.00	7,94,508.00
<b>8. LONG-TERM PROVISIONS</b>		
Provisions for Employee Benefits		
(i) Provision for Gratuity	20,27,404.00	10,00,000.00
(ii) Leave Encashment Payable	14,05,134.00	11,43,802.54
Total	34,32,538.00	21,43,802.54
<b>9. SHORT-TERM BORROWING</b>		
Secured		
(i) Secured Working Capital Loan		
State Bank of India C/C A/c (Against Hypothecation of Stock)	3,71,37,898.61	2,95,96,842.20
State Bank of India Book Debts A/c (Against Hypothecation of Book Debts)	2,92,98,713.00	2,52,78,779.00
State Bank of India SLC A/c (Against Hypothecation of Stock & Book Debts)	75,95,395.00	36,261.00
Total	7,00,32,006.61	5,49,11,882.20
9.1 Primary secured by the hypothecation of Company's entire current assets (both present and future) and the first charge on entire fixed assets of the Company inclusive of equitable mortgage of Factory land & building situated at E-14, Panki Industrial Area Kanpur, and first charge on entire fixed assets of the Company inclusive of equitable mortgage of factory land & building situated at KM-25/4, Kalpi Road, Rania Kanpur, also first charge on entire fixed assets of the Company inclusive of equitable mortgage of factory land & building situated at 91/2, Kunja Paonta shahib (H.P.). Loans are guaranteed by Directors Shri K.L. Bhatia, Shri Kapil Bhatia, Shri Neeraj Bhatia.		
<b>10. TRADE PAYABLES</b>		
(i) Creditors for Raw Material & Stores	11,09,83,292.42	8,43,20,537.93
(II) Creditors for Services	68,79,575.15	65,68,496.40
Total	11,78,62,867.57	9,08,89,034.33
<b>11. OTHER CURRENT LIABILITIES</b>		
(I) Statutory Liabilities	30,47,930.00	33,05,658.00
(II) Creditors for Capital Supplies	11,65,686.50	19,11,098.00
(III) Advance from Customers	4,59,177.00	6,12,397.00
(IV) Income Tax Payable	3,90,549.00	0.00
Total	50,63,342.50	58,29,153.00
<b>12. SHORT-TERM PROVISIONS</b>		
<b>(I) Provisions For Employee Benefits</b>		
Gratuity Insurance Payable	12,70,096.00	15,27,404.00
Leave Encashment Payable	10,21,349.00	10,28,609.00
<b>(II) Other Provisions</b>		
Provisions	1,19,42,562.80	77,95,180.49
Total	1,42,34,007.80	1,03,51,193.49



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

### 13. FIXED ASSETS

Name of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as on 01.04.2015 Rs.	Addition during the year Rs.	Trf./Adjustment during the year Rs.	Total as on 31.3.2016 Rs.	Upto 31.03.2015 Rs.	For the Year Rs.	Trf. / Adjustment For year Rs.	Total as on 31.03.2016 Rs.	Balance as on 31.03.2016 Rs.	Balance as on 31.03.2015 Rs.
Lease Hold Land	1,65,621.02	0.00	0.00	1,65,621.02	0.00	0.00	0.00	0.00	1,65,621.02	1,65,621.02
Free Hold Land	1,84,69,971.00	0.00	0.00	1,84,69,971.00	0.00	0.00	0.00	0.00	1,84,69,971.00	1,84,69,971.00
Building	3,90,71,506.91	1,65,36,120.00	0.00	5,56,07,626.91	1,01,44,672.39	13,93,315.96	0.00	1,15,37,988.35	4,40,69,638.56	2,89,26,834.52
Plant & Machinery	13,51,32,984.51	5,51,28,636.87	0.00	19,02,61,621.38	6,32,32,765.05	72,16,865.73	0.00	7,04,49,630.78	11,98,11,990.60	7,19,00,219.46
Tools Moulds & Rolls (Iron)	1,69,62,654.13	15,50,882.00	0.00	1,85,13,536.13	45,58,763.14	9,29,698.84	0.00	54,88,461.98	1,30,25,074.15	1,24,03,890.99
Generator	50,58,800.00	3,06,186.00	0.00	53,64,986.00	13,56,744.30	3,53,632.76	0.00	17,10,377.06	36,54,608.94	37,02,055.70
Lab & Testing Equipments	80,61,220.75	2,05,801.00	0.00	82,67,021.75	24,45,276.03	9,82,772.93	0.00	34,28,048.96	48,38,972.79	56,15,944.72
Office Equipments	35,94,091.00	6,91,782.36	0.00	42,85,873.36	22,07,017.65	6,35,243.99	0.00	28,42,261.64	14,43,611.72	13,87,073.35
Electric Filings & Equipments	60,59,355.05	65,36,441.00	0.00	1,25,95,796.05	15,60,389.37	10,90,194.50	0.00	26,50,583.87	99,45,212.18	44,98,965.68
Furniture & Fixture	49,00,632.16	6,02,195.00	0.00	55,02,827.16	29,67,841.21	2,75,863.42	0.00	32,43,704.63	22,59,122.53	19,32,790.95
Vehicles	1,59,19,240.60	17,07,777.00	12,56,043.00	1,63,70,974.60	70,45,997.19	18,05,842.42	5,65,529.71	82,86,309.90	80,84,664.70	88,73,243.41
Computer	32,32,649.00	3,45,536.00	0.00	35,78,185.00	26,49,039.66	1,90,873.35	0.00	28,39,913.01	7,38,271.99	5,83,609.34
<b>Total</b>	<b>25,66,28,726.13</b>	<b>8,36,11,357.23</b>	<b>12,56,043.00</b>	<b>33,89,84,040.36</b>	<b>9,81,68,505.99</b>	<b>1,48,74,303.90</b>	<b>5,65,529.71</b>	<b>11,24,77,280.18</b>	<b>22,65,06,760.18</b>	<b>15,84,60,220.14</b>
Previous Year	24,74,54,796.88	1,13,67,925.25	21,93,996.00	25,66,28,726.13	8,57,06,798.61	1,32,80,468.71	8,18,761.33	9,81,68,505.99	15,84,60,220.14	0.00
Capital Work In Progress									85,29,978.00	5,78,47,446.00
Pre-operative Expenses									0.00	52,98,813.37
<b>TOTAL</b>									<b>85,29,978.00</b>	<b>6,31,46,259.37</b>

13.1 Capital Work-in-Progress and Pre-operative expenses include:

- i) Rs. 55,17,334.00 on account of workshed Building Work-in-Progress and Rs. 30,28,644.00 on account of Plant & Machinery Work-in-Progress for powder coating plant and furnace.  
(Previous Year Rs. 1,34,37,023.00 on account of work-shed Building Work-in-Progress and Rs.4,44,10,523.00 on account of Plant & Machinery Work-in-Progress for new Forging unit at Rania, Kanpur dehat)
- ii) Pre-operative expenses Rs. NIL  
(Previous Year Rs. 52,98,813.37 on account of pre-operative expenses for new Forging unit at Rania, Kanpur Dehat).

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

Place : Kanpur  
Date : 28.05.2016

K. L. BHATIA  
Chairman & Managing Director

KAPIL BHATIA  
Managing Director

NEERAJ BHATIA  
CFO

DHRUV BHASIN  
Company Secretary

SANJAY NIGAM  
Manager Accounts



## THIRTY SIXTH ANNUAL REPORT

### NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

Particulars	Figure as at 31st March, 2016 Rs.	Figure as at 31st March, 2015 Rs.
<b>14. NON-CURRENT INVESTMENTS (LONG TERM INVESTMENT)</b>		
Trade Investment	—	—
<b>15. LONG-TERM LOANS AND ADVANCES</b> (Unsecured and Considered Good)		
A) Advance for Capital Items	35,48,762.49	37,59,108.99
B) Security Deposits	51,44,136.00	40,03,444.00
C) Income Tax Refund (A.Y. 2015-16)	5,26,160.00	0.00
D) Income Tax Refund (A.Y. 2014-15)	1,79,962.00	1,79,962.00
Total	93,99,020.49	79,42,514.99
15.1 Advance For Capital Items Include As Under:		
i) Rs. 3,152,877/- advance to Unitech Limited on account of booking of a flat at Gurgaon, Rs. 2,55,885.49 advance to new powder coating machine and Rs. 140,000/- given advance to supplier on account of spares for furnace repairing., (Prev.Yr.Rs. 3,152,877/- advance to Unitech Limited on account of booking of a flat at Gurgaon, Rs. 1,41,231.99 advance to building material suppliers for construction of work-shedbuilding and Rs.4,65,000/-given advance to on account of plant & machiney).		
15.2 Security Deposits Include As Under:		
i) Rs. 2,560,262/- deposit for electricity with U.P.S.E.B. and H.P.S.E.B. (Prev.Yr. Rs. 11,02,038/-), (Prev.Yr. Rs.8,66,441/- for Gas, with Central U.P.Gas Ltd.)		
ii) Rs. 2,480,619/- deposit with Indian Railway against warrantee(Prev.Yr.Rs. 19,31,710/-), Rs. 27,450/- deposit for gas cylendar with IOC (Prev. year Rs. 27,450/-).		
iii) Rs.65,805/- deposit for Telephone with BSNL (Prev. Yr. Rs. 65,805/-) and Rs. 10,000/-deposit to Stanadard Chartered Bank for transfer of shares (Prev. year Rs. 10,000/-).		
<b>16. OTHER NON-CURRENT ASSETS;</b>		
(a) S.T.D.R. with S.B.I. Agst. Sales Tax	50,000.00	50,000.00
(b) S.T.D.R. with W. Rly. Agst. Security	8,034.00	5,500.00
(d) Debts due for more than one year	32,74,329.00	18,07,063.00
Total	33,32,363.00	18,62,563.00
<b>17. CURRENT INVESTMENTS;</b>		
Total	0.00	0.00
<b>18. EINVENTORIES</b>		
1. Raw Material	4,34,74,443.97	2,39,58,404.05
2. Stock-in-progress	6,38,27,420.34	6,10,70,177.05
3. Finished Goods	2,19,32,928.24	1,76,44,172.86
4. Scrap	11,72,314.19	31,77,074.30
5. Furnace Oil	1,32,389.00	4,94,710.44
6. Diesel Oil	2,33,301.82	4,61,597.61
7. Consumable Stores	1,63,30,672.57	1,61,43,553.15
8. Packing Material	27,67,125.00	12,95,332.80
9. Stock-in-transit	0.00	19,23,581.00
10. Stock-in-hand : Roofing Sheets	2,18,152.00	5,49,896.77
Total	15,00,88,747.13	12,67,18,500.03

18.1 Stock-in-transit Rs. Nil (Previous year Rs. 19,23,581.00 of raw materail are entrerd in books as Stock-In-Transit due to non receipt of goods by 31.03.2015 and subject to reconciliation of the account of supplier. The materials have been are received on dt. 05.04.2015.)

**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**

Particulars	Figure as at 31st March, 2016 Rs.	Figure as at 31st March, 2015 Rs.
<b>19. SUNDRY DEBTORS</b>		
<b>(Unsecured But Considered Good Holding No Security Other Than Debtors Personal Security)</b>		
Debts Due For Less Than Six Months	<b>10,01,97,577.00</b>	7,60,95,080.28
Debts Due For More Than Six Months	<b>17,13,053.00</b>	5,67,725.00
Total	<b>10,19,10,630.00</b>	<u>7,66,62,805.28</u>
<b>20. CASH AND CASH EQUIVALENTS</b>		
(A) Cash In Hand (As Certified By Management)	<b>21,24,734.95</b>	3,41,798.95
(B) Balance With H.D.F.C. Bank Ltd.	<b>1,04,545.89</b>	1,19,061.13
(C) Balance With S.B.I. SME A/C	<b>672.71</b>	3,475.17
(D) Balance With P.N.B. Current A/c (Gratuity)	<b>11,619.00</b>	11,619.00
(E) Balance With S.B.I. SME A/c (Paonta Sahib Unit)	<b>49,646.72</b>	3,51,238.98
(F) Balance With S.B.I. SME A/c 34459113680 (Paonta Sahib Unit)	<b>1,20,488.09</b>	9,342.00
(G) Balance With S.B.I. SME A/c (Forging Div.)	<b>38,994.79</b>	4,03,146.79
(H) Balance With Yes Bank Ltd. (Un-claimed Dividend )	<b>4,88,450.00</b>	7,94,508.00
(I) Balance With Standard Chartered Bank	<b>630.93</b>	630.93
(J) Balance With S.B.I. C/A A/c (351351103258), Paonta	<b>403.00</b>	0.00
(K) Margin Money With S.B.I. Agst. L/C & B.g.	<b>1,42,85,712.00</b>	1,26,43,906.00
Total	<b>1,72,25,898.08</b>	<u>1,46,78,726.95</u>
20.1 Balance with YES Bank Ltd. of Rs. 4,88,450/- is on account of Unpaid Dividend Rs.1,84,618/- for the period 2010-11 and Rs. 3,03,832/- for the period 2011-12.		
<b>21. SHORT-TERM LOANS AND ADVANCES</b>		
<b>Loans &amp; Advances</b>		
<b>(Unsecured But Considered Good)</b>		
i) Advance to Trade Supplier	<b>4,82,235.93</b>	5,39,846.47
ii) Advance to Staff Agst.salary	<b>10,66,403.00</b>	7,41,400.00
iii) Advances for Expenses	<b>40,883.50</b>	55,821.50
iv) Prepaid Expenses	<b>12,45,041.00</b>	10,44,869.00
v) Income Tax Refund (A.Y. 2015-16)	<b>0.00</b>	5,26,160.00
Total	<b>28,34,563.43</b>	<u>29,08,096.96</u>

## THIRTY SIXTH ANNUAL REPORT

### NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

Particulars	Figure as at 31st March, 2016 Rs.	Figure as at 31st March, 2015 Rs.
<b>22. OTHER CURRENT ASSETS</b>		
Accrued Interest on Stdr With Bank	5,83,527.42	11,52,761.42
Cenvat Recoverable (Input)	34,960.00	45,310.00
Cenvat Recoverable (Capital Goods)	3,856.00	31,561.00
Cenvat Deferred (Capital Goods)	18,53,265.00	10,76,823.00
Cess Duty Recoverable (Capital Goods)	239.00	1,228.00
Cess Duty Deferred (Capital Goods)	1,216.00	21,319.00
Cess Duty Recoverable (Input)	0.00	11,668.00
Cess on Service Tax on Input Services	0.00	7,321.00
S. H. E. Cess Duty Deferred (Capital Goods)	485.00	10,619.00
S. H. E. Cess Duty Recoverable (Capital Goods)	0.00	908.00
S. H. E. Cess Duty Recoverable (Input)	0.00	6,221.00
S. H. E. Cess on Service Tax on Input Services	0.00	3,537.00
Personal Ledger Account (Excise & Cess)	15,413.00	35,725.00
Service Tax on Input Services	1,41,932.00	1,31,934.00
Service Tax (Advance) Deposit	9,967.00	2,093.00
Vat Recov. on Raw Material & other Purchase	960.00	96,991.88
Vat Credit Deferred (Pre.Yr.) on Capital Goods	11,18,491.00	7,61,689.00
Vat Credit Deferred on Capital Goods	12,62,117.31	11,55,265.36
Total	<b>50,26,428.73</b>	<b>45,52,974.66</b>
<b>23. REVENUE FROM OPERATIONS</b>		
Gross Sales		
Sales Central (Coil Agst. C Form)	10,21,04,278.00	15,54,48,385.00
Sales Central (Coil Agst. Full Tax)	13,78,97,067.00	10,63,28,435.00
Sales Central (Grinding Dust Full Tax)	39,205.00	31,553.00
Sales Central (Forging Items Agst. C Form)	1,32,32,055.00	1,56,52,600.00
Sales Central (Forging Items Agst. full Tax)	4,15,38,580.00	3,06,24,654.00
Sales Central (Roofing Sheet)	3,51,284.00	1,68,098.00
Sales U. P. (Coil Agst. Full Tax)	8,17,88,120.00	5,68,21,398.00
Sales U. P. (Forging Items Agst. Full Tax)	4,16,32,217.00	1,94,07,251.00
Sales U. P. (Scrap Agst. Full Tax)	84,98,629.00	33,30,311.00
Sales U. P. (Roofing Sheet)	37,43,058.00	16,66,301.00
Sales H. P. (Scrap Agst. Vat)	9,57,601.00	2,85,684.00
Sales H. P. (Roofing Sheet)	91,90,433.00	23,22,758.00
Sales Shop (Roofing Sheet)	29,65,217.36	0.00
Sample Sales	1,109.00	0.00
	<b>44,39,38,853.36</b>	<b>39,20,87,428.00</b>
Less : Sales Return	<b>(22,79,990.00)</b>	<b>(13,23,082.00)</b>
Total	<b>44,16,58,863.36</b>	<b>39,07,64,346.00</b>
Less : Central Excise Duty	<b>(3,30,12,774.00)</b>	<b>(2,98,63,007.00)</b>
Total	<b>40,86,46,089.36</b>	<b>36,09,01,339.00</b>

**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**

Particulars	Figure as at 31st March, 2016 Rs.	Figure as at 31st March, 2015 Rs.
<b>24. OTHER INCOME</b>		
Dividend Received	0.00	22,177.00
Interest on S. T. D. R.	11,91,750.00	12,28,728.00
Interest on Income Tax Refund	0.00	54.00
Interest Received on L/C Negotiation (On Sales)	9,12,843.00	3,65,244.00
Profit on Sale of Plant & Machinery	0.00	4,13,704.35
Profit on Sale of Car	18,476.38	0.00
Jobwork Received	80,350.00	14,914.00
Rent Received From Work Shed	60,000.00	60,000.00
Capital Gain on Shares	0.00	3,85,250.39
Max Life Insurance Maturity Recd.	7,12,700.76	0.00
Total	<u>29,76,120.14</u>	<u>24,90,071.74</u>
<b>25. COST OF MATERIAL CONSUMED</b>		
<b>Raw Material Consumed</b>		
Opening Stock	2,45,08,300.82	2,50,71,890.10
Add : Purchases (Including freight, Intt. on L/C & Entry Tax)	2,19,27,14,59.06	18,01,99,755.56
Less : Closing Stock	4,36,92,595.97	2,45,08,300.82
Total	<u>20,00,87,163.91</u>	<u>18,07,63,344.84</u>
<b>26. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-PROCESS</b>		
Inventories (At Closing)		
Finished Goods	2,19,32,928.24	1,76,44,172.86
Scrap	11,72,314.19	31,77,074.30
Stock-in-Process	6,38,27,420.34	6,10,70,177.05
	<u>8,69,32,662.77</u>	<u>8,18,91,424.21</u>
Inventories (At Commencement)		
Finished Goods	1,76,44,172.86	1,03,80,124.78
Scrap	31,77,074.30	20,25,361.07
Stock-in-Process	6,10,70,177.05	6,30,71,204.83
	<u>8,18,91,424.21</u>	<u>7,54,76,690.68</u>
Total	<u>(50,41,238.56)</u>	<u>(64,14,733.53)</u>

## THIRTY SIXTH ANNUAL REPORT

### NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

Particulars	Figure as at 31st March, 2016 Rs.	Figure as at 31st March, 2015 Rs.
<b>27. EMPLOYEES BENEFIT EXPENSES</b>		
Bonus	9,91,604.00	8,16,022.00
E. S. I.	5,83,011.00	6,04,487.00
Gratuity Insurance	1,270,096.00	15,89,417.00
House Rent Allowance	12,38,280.00	11,55,680.00
Incentive And Compensation	9,55,187.00	10,02,475.00
Insurance To Staff & Workers	0.00	48,428.00
Leave Encashment	7,30,108.46	6,04,718.54
Medical Expenses	4,30,455.00	2,39,774.00
Provident Fund	23,65,530.00	20,29,808.00
Retainership Fee	77,000.00	1,72,800.00
Salary to Administrative & Sales Staff	73,25,715.00	62,38,982.00
Staff Fooding & Welfare	5,98,443.35	6,37,557.20
Staff Training Expenses	7,356.00	3,115.00
Total	<u>1,65,72,785.81</u>	<u>1,51,43,263.74</u>
<b>28. FINANCE COST</b>		
Bank Interest	98,62,045.00	68,26,676.00
Interest on Unsecured Loan	29,01,638.00	17,82,541.00
Bank Interest on L/C Negotiation (On Purchase)	9,07,115.00	4,43,153.00
Total	<u>1,36,70,798.00</u>	<u>90,52,370.00</u>
<b>29. DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation	1,48,74,303.90	1,32,80,468.71
Total	<u>1,48,74,303.90</u>	<u>1,32,80,468.71</u>

**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**

Particulars	Figure as at 31st March, 2016 Rs.	Figure as at 31st March, 2016 Rs.
<b>30. OTHER EXPENSES</b>		
<b>(A) Manufacturing Expenses</b>		
Electric Power & Fuel	3,68,37,905.84	3,72,45,304.75
Consumable Stores Consumed	1,36,76,720.95	1,01,93,552.41
Freight & Cartage	38,557.00	29,344.00
Generator Repairing & Maintenance	2,20,974.25	2,46,077.25
Jobwork Paid	71,35,951.00	63,85,090.00
Lab. Expenses	31,094.00	40,673.69
Fooding & Labour Welfare	5,91,467.50	5,01,624.80
Machinery Maintenance	46,72,131.35	66,00,235.20
Wages & Salary	2,80,33,875.00	2,40,86,402.00
Watch & Ward	16,93,565.00	18,38,257.00
Weight & Measurement	12,420.00	14,830.00
Electrical Maintenance	8,15,185.24	6,29,618.26
Total	<u>9,37,59,847.13</u>	<u>8,78,11,009.36</u>
<b>(B) Administrative Expenses</b>		
Audit Fee (Statutory)	1,00,000.00	80,000.00
Audit Fee (Internal)	2,12,360.00	2,11,371.00
Audit Fee (Stock)	25,000.00	0.00
Audit Fee (Vat)	15,000.00	0.00
Appelal Fee	5,500.00	0.00
Bank Charges	35,05,865.00	21,59,577.58
Board Meeting Expenses	1,27,823.00	1,54,921.00
Building Repair & Maintenance	1,14,476.10	1,61,913.58
Business Promotion	2,21,700.00	2,70,089.99
Car Running Expenses	6,45,843.68	4,90,441.11
Certification Fee	83,094.00	77,878.00
Computer Expenses	3,74,451.00	3,46,592.00
Conveyance	13,04,391.00	12,91,681.00
Cost Audit Fee	0.00	25,000.00
Demat Charges	1,125.00	3,836.80
Demarage & Other Deduction	27,46,843.28	37,69,688.33
Donation	49,700.00	32,201.00
Festival and New Year Expenses	4,98,303.00	2,22,520.00
Guest House Expenses	6,64,316.69	4,69,698.00
Hire Charges on Vehicle	2,15,406.00	1,47,209.00
ISO (ISO-9002) Certificate Expenses	56,968.00	88,692.00
Inspection Charges	2,71,028.00	3,56,108.00
Insurance	5,90,592.00	5,48,927.00
Interest on Service Tax / Excise / TDS	14,494.00	1,690.00
Internet Expenses	1,33,038.00	82,673.50
Legal Expenses	1,70,755.00	1,42,658.00
Licence Fee (Factory Act & Others)	31,138.00	41,583.00
Loss on Sale of Car	32,917.67	47,557.02
Membership Fee	1,37,495.00	125,417.40
Misc. Expenses	1,07,387.37	97,542.97
News Paper & Periodicals	27,205.00	32,320.00

## THIRTY SIXTH ANNUAL REPORT

### NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

Particulars	Figure as at 31st March, 2016 Rs.	Figure as at 31st March, 2015 Rs.
Office Maintenance	5,82,654.82	2,81,241.25
Pooja Expenses	42,777.00	28,162.00
Postage & Stamp	2,31,134.00	3,33,559.00
Printing & Stationery	3,83,114.50	3,92,853.07
Professional Charges	4,74,050.00	2,71,557.00
Purchase Tax	1,491.00	816.00
Rates & Taxes	2,44,389.00	1,63,214.00
Registration & Filing Fee	97,707.00	47,295.66
Shop Rent	4,95,000.00	0.00
Shop Maintenance	1,40,450.76	0.00
Stt Expenses	0.00	2,746.11
Sales Tax Expenses	1,47,508.00	847.00
Share Connectivity/ Maint. Charges	79,173.00	98,713.40
Share/ Stock Listing Fee	2,00,000.00	1,09,000.00
Sundry Balance W/Off	7,990.30	5,637.35
Telephone Expenses	7,14,282.83	6,48,843.74
Travelling Expenses	7,74,884.69	9,13,611.00
Director Travelling Expenses	8,12,060.94	10,43,910.88
Foreign Travelling Expenses	5,83,587.09	4,84,594.54
Vehicle Repair & Maintenance	4,99,909.00	5,52,957.58
Total	1,89,96,379.72	1,68,59,346.86
<b>(C) Payment To Directors</b>		
Director's Remuneration	74,40,000.00	74,40,000.00
Contribution to National Pension Scheme	4,80,000.00	4,40,000.00
Director's Sitting Fee	1,50,000.00	1,50,000.00
Foreign Travelling Allowance to Director	0.00	4,09,267.00
Incentive to Director	21,99,225.00	22,25,828.00
Leave Encashment to Director	6,20,000.00	6,20,000.00
Perquisites to Director	2,02,775.00	1,74,172.00
Total	1,10,92,000.00	1,14,59,267.00
<b>(D) Selling &amp; Distribution Exp.</b>		
Advertisement & Publication	10,57,108.00	9,06,200.00
Central Sales Tax	1,09,79,596.00	97,34,751.00
Commission	31,42,711.00	23,22,720.00
Freight & Cartage Outward	93,37,620.00	92,31,058.00
Packing Material Consumed	45,74,666.96	34,38,149.95
Sample	16,942.00	26,550.00
Service Tax on Freight	3,80,439.14	1,63,491.00
Sales Promotion	37,440.76	0.00
Tender Fees	96,503.00	64,063.00
Value Added Tax (VAT)	79,64,586.00	39,15,482.00
Total	3,75,87,612.86	2,98,02,464.95
Total (a+b+c+d)	16,14,35,839.71	14,59,32,088.17



**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**

Particulars	Figure as at 31st March, 2016 Rs.	Figure as at 31st March, 2015 Rs.
<b>30.1 Value of Power, Furnace Oil, Diesel Oil , Gas, Stores and Packing Material Consumed</b>		
<b>Power and Fuel:-</b>		
Electric Power Used	<b>2,59,94,379.00</b>	1,95,65,134.00
PNG Gas Used	<b>15,45,017.00</b>	42,70,871.00
Furnace Oil Consumed	<b>61,05,690.65</b>	97,96,283.91
Diesel for Generator Consumed	<b>31,92,819.19</b>	36,13,015.84
Total	<b>3,68,37,905.84</b>	<u>3,72,45,304.75</u>
<b>(i) Furnace Oil Consumed</b>		
Opening Stock	<b>4,94,710.44</b>	5,39,984.35
Add : Purchase (Including Freight & Entry Tax)	<b>57,43,369.21</b>	97,51,010.00
Less : Closing Stock	<b>1,32,389.00</b>	4,94,710.44
Total	<b>61,05,690.65</b>	<u>97,96,283.91</u>
<b>(ii) Diesel For Generator Consumed</b>		
Opening Stock	<b>4,61,597.61</b>	2,34,015.66
Add : Purchase (Including Freight & Entry Tax)	<b>29,64,523.40</b>	38,40,597.79
Less : Closing Stock	<b>2,33,301.82</b>	4,61,597.61
Total	<b>31,92,819.19</b>	<u>36,13,015.84</u>
<b>(iii) Consumable Stores Consumed</b>		
Opening Stock	<b>1,61,43,553.15</b>	93,20,467.45
Add : Purchase	<b>1,38,63,840.37</b>	1,70,16,638.11
Less : Closing Stock	<b>1,63,30,672.57</b>	1,61,43,553.15
Total	<b>1,36,76,720.95</b>	<u>1,01,93,552.41</u>
<b>(iv) Packing Material Consumed</b>		
Opening Stock	<b>12,95,332.80</b>	3,45,404.68
Add : Purchase	<b>60,46,459.16</b>	43,88,078.07
Less : Closing Stock	<b>27,67,125.00</b>	12,95,332.80
Total	<b>45,74,666.96</b>	<u>34,38,149.95</u>



## THIRTY SIXTH ANNUAL REPORT

### NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

#### 30.2 PAYMENT TO STATUTORY AUDITORS :

Particulars	2015-16	2014-15
Audit fee	Rs. 1,00,000.00	Rs. 80,000.00
Service Tax	10,815.00	9,882.00
Income Tax fee	Nil	Nil
Management Consultancy fee	Nil	NIL

#### 30.3 EXPENDITURE IN FOREIGN CURRENCY:

	2015-16	2014-15
Foreign Travelling Expenses	Rs. 5,83,587.09	Rs. 4,84,594.54
Foreign Travelling Allowance	Rs. —	Rs. 4,09,267.00

#### 31. EARNING PER SHARE (EPS)

	2015-16	2014-15
N/P after tax available for Share holder	Rs.50,79,305.73	Rs.4064669.81
Weighted average No. of equity share outstanding during the year	Nos. 39,38,511	Nos. 39,38,511
Basic/Diluted earning per share	Rs.1.29	Rs.1.03

#### 32 EARNING IN FOREIGN CURRENCY:

	2015-16	2014-15
Export Sales	—	—

#### 33. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

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

	2015-16 (Final Dividend)	2014-15 (Final Dividend)
a) Number of Non Resident Shareholders	—	—
b) Number of Equity Shares held by them	—	—
c) (i) Amount of Dividend Paid (Gross) (₹ in)	—	—
(ii) Tax Deducted at Source (₹ in)	—	—

**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**
**34. Related party disclosure :**

Related Party	Relationship	Nature of transaction	Value (Amount Rs.)	Amount outstanding Receivable/Payable
Mr. Kundan Lal Bhatia	Key Management Person	Remuneration, LTC, Perquisites, E. Leave & Incentive	25,50,000.00	Cr. 4,09,000.00
Mr. Kapil Bhatia	Key Management Person	Remuneration, Perquisites, E. Leave, Contribution to NPS & Incentive	26,45,000.00	Cr. 2,15,544.04
Mr. Neeraj Bhatia	Key Management Person	Remuneration, Perquisites, E. Leave, Contribution to NPS & Incentive	26,45,000.00	Cr. 5,59,947.50
Smt. Mamta Bhatia	Key Management Person	Remuneration, Perquisites, E. Leave, Contribution to NPS & Incentive	16,80,000.00	Cr. 3,11,919.26
Smt. Manju Bhatia	Key Management Person	Remuneration, Perquisites, E. Leave, Contribution to NPS & Incentive	14,20,000.00	Cr. 3,79,783.00
Mr. Neeraj Bhatia	Key Management Person	Interest on Deposits	5,32,015.00	Cr. 66,09,200.00
Mr. K. L. Bhatia	Key Management Person	Interest on Deposits	1,75,183.00	Cr. 26,75,665.00
Mr. Kapil Bhatia	Key Management Person	Interest on Deposits	3,36,510.00	Cr. 49,69,709.00
Mr. Mamta Bhatia	Key Management Person	Interest on Deposits	97,885.00	Cr. 14,85,789.00
Mr. Manju Bhatia	Key Management Person	Interest on Deposits	1,35,857.00	Cr. 18,44,428.00
M/s Frontier Alloy Steels Ltd	Associate Concern	Sales	6,71,77,335.00	Dr. 1,34,20,292.00
M/s Frontier Alloy Steels Ltd	Associate Concern	Jobwork Paid	61,400.00	NIL
M/s Frontier Engineering Corporation	Associate Concern	Purchase	4,30,698.00	NIL
M/s Frontier Engineering Corporation	Associate Concern	Jobwork Paid	5,32,260.00	NIL
M/s Vishpa Rail Equipments Pvt. Ltd.	Associate Concern	Jobwork Paid	60,12,450.00	NIL
M/s Vishpa Rail Equipments Pvt. Ltd.	Associate Concern	Rent Recd.	60,000.00	NIL
M/s Vishpa Rail Equipments Pvt. Ltd.	Associate Concern	Interest on Deposits	16,24,188.00	Cr. 1,47,25,000.00

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

<b>Remuneration :</b>	<b>2015-2016</b>	<b>2014-2015</b>
Chairman & Managing Directors	<b>18,00,000.00</b>	18,00,000.00
Other Directors	<b>56,40,000.00</b>	56,40,000.00
<b>Incentives :</b>		
Chairman & Managing Directors	<b>6,00,000.00</b>	6,00,000.00
Other Directors	<b>15,99,225.00</b>	16,25,828.00

## THIRTY SIXTH ANNUAL REPORT

<b>Perquisites :</b>		
Chairman & Managing Directors	NIL	NIL
Other Directors	2,02,775.00	1,74,172.00
<b>Leave Travel Concession :</b>		
Chairman & Managing Directors	NIL	NIL
Other Directors	NIL	NIL
<b>Foreign Travelling Allowance :</b>		
Chairman & Managing Directors	NIL	4,09,267.00
Other Directors	NIL	NIL
<b>Earn Leave :</b>		
Chairman & Managing Directors	1,50,000.00	1,50,000.00
Other Directors	4,70,000.00	4,70,000.00

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

	2015-16	2014-15
i. Licensed Capacity (As certified by the management)	Not Applicable	Not Applicable
ii. Installed Capacity (As certified by the management)	7400 Mt. per annum on single shift of eight hour (1200 Mt. Coil spring, Leaves Spring & 1200 Mt. Forging items 1200 Mt. Roofing Sheet)	7400 Mt. per annum on single shift of eight hour (500 Mt. Coil spring, Leaves Spring & 1200 Mt. Forging items 1200 Mt. Roofing Sheet)
iii. Production in Nos.	3,58,326	3,11,144
iv. Production in Nos.	51,004	15,525

#### v. Particulars in respect of sales (Refer notes below)

Class of Goods	U/N	31.03.2016		31.03.2015	
		Qty.	Amount	Qty.	Amount
Coil Springs	Nos.	3,55,596	42,76,88,861.00	3,09,881	38,79,30,271.00
Leaf Springs & Foreign items					
Roofing Sheets	Sq. Mt.	51,004	1,62,49,992.36	15,525	41,57,157.00

#### 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.

**vi. Quantitative details of Raw Materials Consumed :**

Particulars	31.03.2016		31.03.2015	
	Qty. (Mt.)	Amount (Rs.)	Qty. (Mt.)	Value (Rs.)
a) Indigenous Springs Steel Round Billet & Bar	<b>3,951.022</b>	<b>18,56,29,888.08</b>	3,042.169	17,66,56,666.23
b) Coil Sheet	<b>183.658</b>	<b>1,44,57,275.83</b>	63.422	41,06,678.61
b) Imported	<b>Nil</b>	<b>Nil</b>	Nil	Nil

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

	2015-16	2014-15
Raw Materials imported	<b>Nil</b>	Nil
Raw Materials Indigenous	<b>100%</b>	100%
Spare Parts & Sets (Indigenous)	<b>100%</b>	100%

**vii. Quantitative details of finished goods**

Particulars	2015-16 Nos.	2014-15 Nos.
Opening Stock (in Nos.)	<b>10101</b>	8838
Opening Stock (in Sq. Meter)	<b>NIL</b>	NIL
Closing Stock (in Nos.)	<b>12831</b>	10101
Closing Stock (in Sq. Meter)	<b>NIL</b>	<b>NIL</b>
Turnover (in Nos.)	<b>355596</b>	309881
Turnover (in Sq.Meter)	<b>51004</b>	15525

**Notes :-**

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

As per our Report of even date.

For SANJAY NANDANI & CO.  
Chartered Accountants  
Firm Registration No. 006941 C  
SANJAY MALHOTRA  
Partner  
Membership No. 71140  
Place : Kanpur  
Date : 28.05.2016

For and on behalf of Board of Directors

K. L. BHATIA  
Chairman & Managing Director

KAPIL BHATIA  
Managing Director

DHRUV BHASIN  
Company Secretary

NEERAJ BHATIA  
CFO

SANJAY NIGAM  
Manager Accounts

