



# Frontier Springs Ltd.

**REGD. OFFICE & FACTORY :** KM 25/4, KALPI ROAD, RANIA, KANPUR DEHAT - 209 304 U.P. (INDIA)  
**Tele Office :** +91-5111-240212, 240213 • **Fax :** +91-5111-240214  
**e-mail :** info@frontiersprings.co.in • **Website :** http://www.frontiersprings.co.in  
**CIN No. :** L17119UP1981PLC005212

November 6, 2023

To  
The BSE Limited  
Corporate Relationship Department  
1<sup>st</sup> Floor, New Trading Wing  
Rotunda Building, PJ Towers  
Dalal Street Fort, Mumbai-400001  
Phone: - 022-22723121, 22722037  
(Script Code: - 522195)

**Subject: Disclosure under Regulation 30 of the SEBI(Listing Obligations and Disclosure Requirements)Regulations ,2015**

Dear Sir/Madam

Pursuant to Regulation 30 of theSEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith the presentation on the Un-Audited Financial Results for the quarter ended September 30, 2023.

In compliance with Regulation 46 of the aforesaid regulations, the presentation is also being hosted on the website of the company at [www.frontiersprings.co.in](http://www.frontiersprings.co.in)

Kindly take the above on record and oblige.

Thanking You  
Yours Faithfully,  
For Frontier Springs Limited

Dhruv  
Bhasin

Dhruv Bhasin  
(Company Secretary & Compliance Officer)

Encl's: As above

Digitally signed by Dhruv Bhasin  
DN: cn=Dhruv Bhasin,  
o=Frontier Springs Limited, ou=Frontier Springs Limited,  
c=IN, email=Dhruv.Bhasin@frontiersprings.co.in,  
serial=11738,  
version=3.1  
Date: 2023.11.06 20:41:05 +05'30'



# Frontier Springs Limited

Investor Presentation  
Q2FY24

# Safe harbour statement

This presentation may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise of Frontier Springs Limited. Actual results might differ substantially or materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply, price conditions in the domestic and overseas markets in which the Company operates, changes in Government policies and regulations, tax laws, and other statutes and incidental factors. The Company does not undertake any obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.



# 01

## A glimpse of Frontier Springs

Company Overview	04
Our Journey	06
Business Divisions	07
Our Products	10
Marquee Clientele	11
Esteemed Board	12

# Company Overview

ESTABLISHED IN  
**1981**

A DISTINGUISHED  
MANUFACTURER OF HOT  
COILED COMPRESSION  
SPRINGS, AIR SPRINGS AND  
FORGING FOR WAGONS,  
RAILWAYS, CARRIAGES AND  
LOCOMOTIVES

THE COMPANY'S SPRINGS  
USED ON THE FASTEST  
TRAIN IN INDIA - VANDE  
BHARAT EXPRESS

CERTIFIED BY THE  
INTERNATIONAL RAIL  
INDUSTRY STANDARD  
(IRIS), WHICH ENABLES  
US TO DIRECTLY EXPORT  
OUR PRODUCTS TO OTHER  
COUNTRIES

# Company Overview

**40+** Years

OF EXPERIENCE AND  
EXPERTISE

**185+**

SKILLED EMPLOYEES

**Two**

MANUFACTURING  
FACILITIES

APPROVAL FROM

**Research  
Designs and  
Standards  
Organization  
(RDSO)**

FOR SPRING-SINGLE COIL  
FOR EMD LOCOMOTIVES

**A fully  
equipped  
laboratory**

**IRIS  
Certification®**

RECEIVED FOR OUR  
MANAGEMENT SYSTEM

**ISO  
14001:2015**

CERTIFIED

# Our Journey

From a small family business to supplying springs and forgings for Indian Railways

**1968**

Began making Leaf Springs for trucks and gradually started building partnerships with customers through our distribution network in Uttar Pradesh, Madhya Pradesh and Bihar

**1981**

Incorporation of Frontier Springs Limited; started providing services to state transport corporation businesses such as MSRTC and GSRTC

**1981-1990**

- Enjoyed a monopoly in our business for several years
- As competition increased, started to diversify and provide laminated bearings to the railways.
- As railways evolved, started manufacturing Coil Springs for railways

**1991**

Set up two plants in Kanpur for Coil Springs and Leaf Springs

**1992-2015**

Set up another manufacturing unit in Himachal Pradesh

**In 2011**

Forayed into manufacturing forgings for railways

**2022**

Forayed into Manufacturing of Air Springs

# Business Divisions (1/3)



## SPRINGS DIVISION

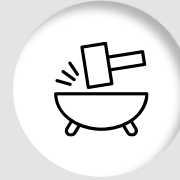
In 1991, we shifted from Leaf Springs to Hot Coiled Springs for the Indian Railways, which has been our mainstay business for the past 30 years

### What do we do?

- Manufacture different kinds of Coil Springs to use space better, reduce tiredness and weight
- Use strong chrome molly and chrome silicon steel rods that are carefully checked for cracks and coated with epoxy powder
- Make the Springs in various sizes – from 10 mm to 65 mm wire thickness, with a maximum height of 1,000 mm



# Business Divisions (2/3)



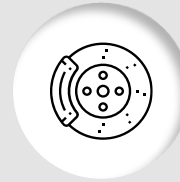
## FORGING DIVISION

In 2011, we forayed into the forging business by setting up a manufacturing plant in Kanpur

### What do we do?

- Manufacture train parts such as Anti Roll Bar Assembly, Screw Couplings, Draft Gear Assembly and BSS Hangers
- Have big hammers of 1 tonne, 3 tonnes and 6 tonnes to shape metal from as light as 100 grams to as heavy as 80 kg
- Use special ovens to make the metal strong, and machines to shape and cut parts, in our own workshop

# Business Divisions (3/3)



## AIR SPRING DIVISION

We now create Air Spring suspension systems for LHB coaches for Indian Railways

### What do we do?

- Signed an MoU with Contitech Germany to supply Air Springs to Indian Railways

**2022**

MANUFACTURING  
PLANT  
STARTED FROM  
2022

**FY25**

RAMP UP  
EXPECTED BY

**~12 Cr**

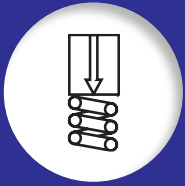
CAPEX INCURRED  
~₹7CR

FURTHER CAPEX  
TO BE INCURRED  
~₹5 CR

**~120Cr**

REVENUE  
POTENTIAL POST  
PROPOSED CAPEX  
OF 5 CR ~₹120 CR

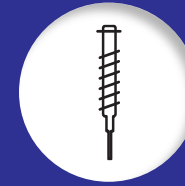
# Products



*Air Springs for LHB coaches*



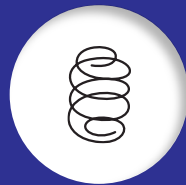
*Suspension Coil Springs for freight stock*



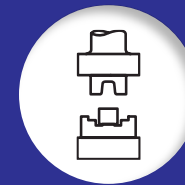
*Suspension Coil Springs for coaching stock*



*Suspension Coil Springs for diesel and electrical locomotives*



*TMCLH and VLH Coil Springs for the power sector*



*Forging components such as Brake Block Hanger, Knuckle Thrower, Top Follower and Wedge*

# Marquee Clientele

- Chittranjan Locomotive Works
- Banaras Locomotive Works
- Frontier Alloy Steels Limited
- Patiala Locomotive Works



# Esteemed Board

  
**Mr. Kundan Lal Bhatia**

---

CHAIRMAN CUM  
MANAGING DIRECTOR

  
**Mr. Kapil Bhatia**

---

MANAGING DIRECTOR

  
**Mrs. Manju Bhatia**

---

WHOLETIME DIRECTOR

  
**Mr. Nimesh Mukerji**

---

INDEPENDENT DIRECTOR

  
**Mr. Neeraj Bhatia**

---

CFO AND WHOLETIME DIRECTOR

  
**Mr. Yashpal**

---

INDEPENDENT DIRECTOR

  
**Mr. Sarabjit Singh**

---

INDEPENDENT DIRECTOR

  
**Mrs. Mamta Bhatia**

---

WHOLETIME DIRECTOR

  
**Mr. K. P. Somkuwar**

---

INDEPENDENT DIRECTOR

  
**Mr. R. K. Bhatia**

---

INDEPENDENT DIRECTOR



# 02

## Quality products for modern needs

Indian Railways – Our Primary Customer

14

Different types of Springs

16

Advantages of Air Springs and Hot Coil Springs

17

# Indian Railways – Our Primary Customer

INDIAN RAILWAYS IS THE FOURTH LARGEST RAILWAY NETWORK IN THE WORLD.



## ₹2.4 lakh crore

REVENUE FROM OPERATIONS

**25%** Y-O-Y GROWTH

### GOVERNMENT INITIATIVES

#### Freight loading and revenue

1,512 MT of freight loaded in FY2023  
6.63% Y-O-Y GROWTH

#### Automatic signalling

Upgraded 530 km with automatic signalling in FY2023  
143.12% Y-O-Y GROWTH

#### Electrification

6,542 RKMs electrified during the year  
2.76% Y-O-Y GROWTH

#### Gati Shakti Freight Terminals

30 freight terminals created in FY2023 compared to 21 in FY2022

#### New lines

5.243 km of new lines added in FY2023

#### Vande Bharat Trains

Issued a production plan of 102 Vande Bharat Rakes  
(35 in FY2023 and 67 in FY2024)

# Indian Railways – Our Primary Customer

## GOVERNMENT INITIATIVES

---

### **NATIONAL RAIL PLAN (NRP)**

58 super-critical projects of a total length of 3,750 km costing ₹39,663 crore and 68 critical projects of a total length of 6,913 km costing ₹75,736 crore have been identified for completion by 2024

### **FOREIGN DIRECT INVESTMENT**

The government has cleared the proposal for allowing 100% FDI in the railway sector, other than operations through the automatic route. The government wants to invest US\$120 billion in the coming five years for the development of railway services.

### **INDIAN RAILWAY INNOVATION POLICY**

The intention is to work with entrepreneurs, technology developers, and innovators through start-ups to obtain affordable, user-friendly, reliable products and solutions for use on the Indian Railways network.

### **UNION BUDGET 2023-24**





The Indian Railways has been allocated a capital outlay of ₹ 2.4 lakh crore in the Union Budget 2023-24

### **MISSION RAFTAAR**

For speed enhancement and to achieve a target of doubling the average speed of freight trains and increasing the average speed of superfast /mail/express trains by 25 kmph



# Different Types of Springs

FACTORS	LEAF SPRINGS	LAMINATED BEARING SPRINGS	HOT COIL SPRINGS	AIR SPRINGS
 <b>CONSTRUCTION</b>	Made of a series of long, thin metal strips that are stacked and held together by pins	Made of multiple layers of steel plates that are bonded together	Made of steel and are heated and shaped into coils	Made of rubber and are filled with compressed air
 <b>COMMON USE</b>	More common in older vehicles	More common in newer vehicles	More common in newer vehicles	More common in newer vehicles
 <b>COST</b>	Less expensive to manufacture	More expensive to manufacture	More expensive to manufacture	Cost-efficient manufacturing
 <b>VIBRATION</b>	Less efficient and can cause more vibration	More efficient and provide a smoother ride	Absorb the shock and provide a smoother ride	Absorb the shock and provide a smoother ride

# Advantages of Air Springs and Hot Coil Springs



---

## **Smoother Ride Comfort**

Can absorb more shock and provide a smoother ride

---

## **Better handling**

Can better absorb the weight of the train and provide better handling, thus preventing derailments

---

## **More Resilient**

Can withstand more stress and abuse and thus, run efficiently for longer

---

## **Less Maintenance**

Less prone to wear and tear, and require less maintenance



# 03

## Performance

From the Managing Director	19
Quarterly Highlights	20
5-year performance	24

# From The Managing Director



**Kapil Bhatia**  
MANAGING DIRECTOR



*I am delighted to present an update on our performance for Q2FY24, which reflects a continuation of our growth trajectory and strategic initiatives.*

In Q2FY24 we delivered a robust performance with a 28% growth in top-line. Both our core verticals – Springs and Forging – have sustained their momentum, contributing significantly to our performance during the period. The margins we have witnessed this quarter are indicative of our business's true potential.

In a significant development for our Air Springs vertical, we have been approved as a "Developmental Source" by the Indian Railways. This accreditation empowers us to participate in tenders comprising 20% of the Indian Railways' requirements for Air Springs. We are optimistic about the vertical's contribution to our business, with substantial order execution anticipated in the next financial year.

We are in anticipation of the final nod as a "Regular source" for the supply of Air Springs to Indian Railways, which we expect to secure by Q1FY25. In light of the strong demand for Air Springs, we have decided to enhance our manufacturing capabilities, committing an additional capital expenditure of ₹ 5 crores. This investment will expand our production from 120 coach sets per

month to 200, thereby aligning the Air Springs vertical's capacity with the combined top-line potential of our Coil Springs and Forging Division.

Our expansion plans are well underway, and we aim to conclude these enhancements by the end of this fiscal year. With the completion of this initiative, we will be poised for strong growth. Furthermore, the arrival and ongoing installation of the 6-tonne hammer at our facility will augment our operational capacity and is a clear indicator of our commitment to growth. These strategic investments are set to be reflected in our financials from the subsequent year.

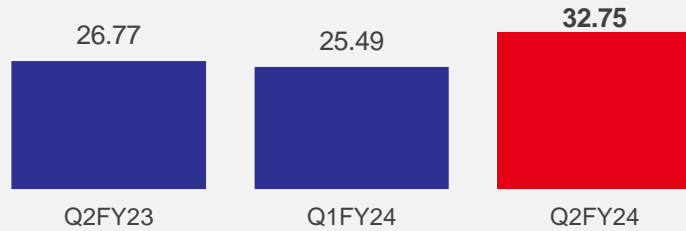
As we continue to fortify our position within the industry, the outlook for our products, with the Indian Railways, is exceptionally promising. Our focus on investment and innovation positions us well to achieve a top-line of ₹ 500 crores by 2027, as we capitalise on the opportunities that lie ahead.

In closing, our Q2FY24 performance has laid a solid foundation for sustained growth, and we remain dedicated to delivering value to our stakeholders in the coming years.

# Quarterly Highlights

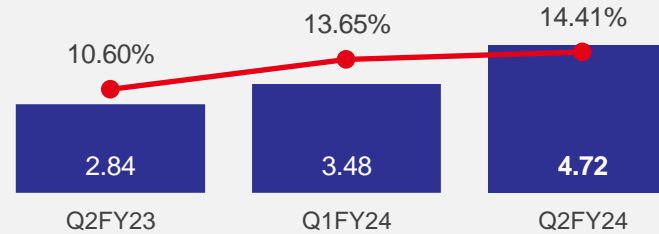
## Revenue from operations

(IN ₹ CRORE)



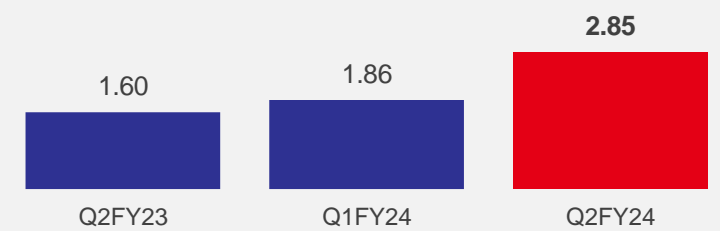
## EBITDA & EBITDA Margin

(IN ₹ CRORE & %)



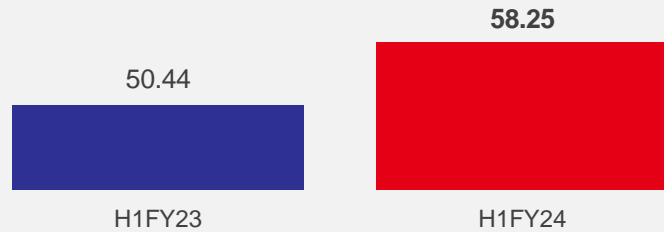
## PAT

(IN ₹ CRORE)



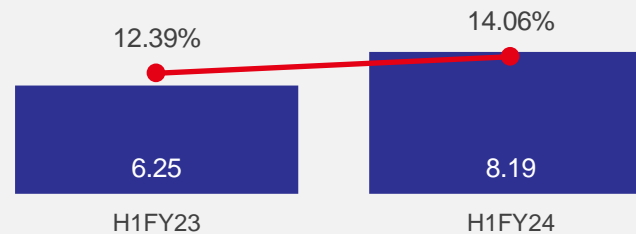
## Revenue from operations

(IN ₹ CRORE)



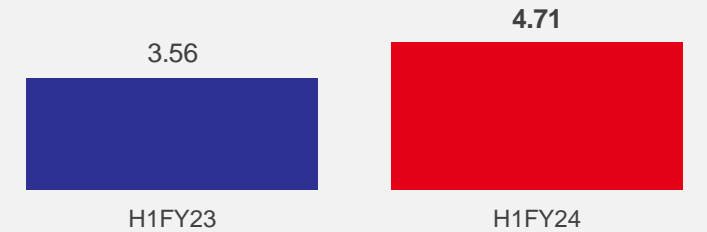
## EBITDA & EBITDA Margin

(IN ₹ CRORE & %)



## PAT

(IN ₹ CRORE)



# Summary of Profit and Loss Statement

(IN ₹ CRORE)

PARTICULARS	Q2FY24	Q1FY24	Q2FY23	Q-o-Q	Y-o-Y	H1FY24	H1FY23	Y-o-Y
REVENUE FROM OPERATIONS	32.75	25.49	26.77	28.48%	22.34%	58.25	50.44	15.48%
OTHER INCOME	0.05	0.05	0.14	0.00%	(64.29%)	0.10	0.29	(65.52%)
<b>TOTAL INCOME</b>	<b>32.81</b>	<b>25.54</b>	<b>26.91</b>	<b>28.47%</b>	<b>21.92%</b>	<b>58.35</b>	<b>50.73</b>	<b>15.02%</b>
TOTAL OPERATING EXPENSE	28.03	22.01	23.93	27.35%	17.13%	50.06	44.19	13.28%
EBITDA	4.72	3.48	2.84	35.63%	66.20%	8.19	6.25	31.04%
EBITDA MARGIN (%)	14.41%	13.65%	10.60%	76 bps	381 bps	14.06%	12.39%	167 bps
FINANCE COST	0.04	0.06	0.10	(33.33%)	(60.00%)	0.10	0.18	(44.44%)
DEPRECIATION AND AMORTISATION EXPENSES	0.90	0.88	0.73	2.27%	23.29%	1.77	1.47	20.41%
PROFIT BEFORE TAX	3.83	2.59	2.15	47.88%	78.14%	6.42	4.89	31.29%
PROFIT AFTER TAX	2.85	1.86	1.60	53.23%	78.13%	4.71	3.56	32.30%

# Summary of Balance Sheet

(IN ₹ CRORE)

PARTICULARS	H1FY24	H1FY23
<b>SHAREHOLDERS FUND</b>	<b>80.50</b>	<b>74.68</b>
<b>NON-CURRENT LIABILITIES</b>	<b>4.86</b>	<b>4.21</b>
LONG TERM BORROWINGS	1.63	1.25
<b>CURRENT LIABILITIES</b>	<b>27.69</b>	<b>31.02</b>
SHORT TERM BORROWINGS	23.31	24.29
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>113.05</b>	<b>109.92</b>
<b>NON-CURRENT ASSETS</b>	<b>62.02</b>	<b>59.38</b>
NET BLOCK	42.78	41.94
<b>CURRENT ASSETS</b>	<b>51.04</b>	<b>50.54</b>
INVENTORIES	32.31	30.28
TRADE RECEIVABLES	11.40	16.22
CASH & BANK BALANCES	4.13	2.00
<b>TOTAL ASSETS</b>	<b>113.05</b>	<b>109.92</b>

# Summary of Cash Flow Statement

(IN ₹ CRORE)

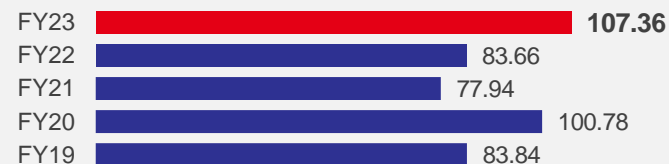
PARTICULARS	H1FY24	H1FY23
CASH FLOW FROM OPERATING ACTIVITIES	9.04	9.62
CASH FLOW FROM INVESTING ACTIVITIES	(4.30)	(10.02)
CASH FLOW FROM FINANCING ACTIVITIES	(2.61)	0.52
NET CASH FLOW	2.13	0.12
CASH AT THE BEGINNING OF PERIOD	2.00	1.88
CASH AT THE END OF PERIOD	4.13	2.00



# 5-year Performance

## Revenue from operations

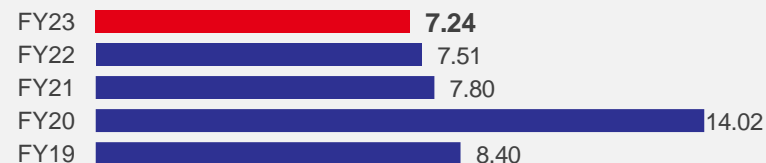
(IN ₹ CRORE)



**28.33%** Y-O-Y GROWTH

## Profit After Tax

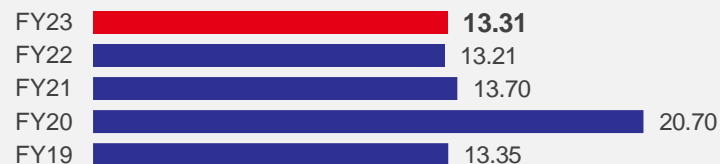
(IN ₹ CRORE)



**(3.65)%** Y-O-Y GROWTH

## EBITDA

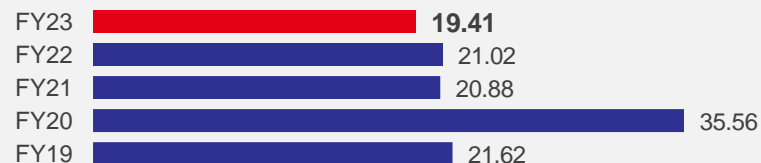
(IN ₹ CRORE)



**0.75%** Y-O-Y GROWTH

## Earnings per share

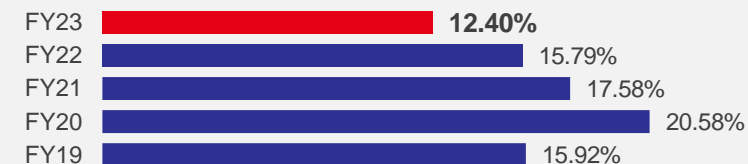
(IN ₹)



**(7.66)%** Y-O-Y GROWTH

## EBITDA margin

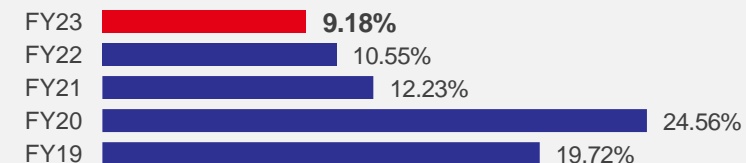
(IN %)



**(339) bps** Y-O-Y GROWTH

## RoCE

(IN %)



**137 bps** Y-O-Y GROWTH



# 04

## The Future

Ready to Leverage Opportunities

26

Why Invest in Us

27

# Ready to Leverage Opportunities

## INDIAN RAILWAY GROWTH OPPORTUNITY

### Historic Budget Allocation

**₹2.40 lakh crore**

For railway-Capex – a 51% increase from the previous year

### Freight Corridor Impact

**One lakh trains**

Run, with 73.5% of DFC commissioned. Target to reduce logistics cost from 15% to 8% of GDP by 2030

### Vande Bharat & Metro Expansion

**50 trains**

Incorporated, with an opportunity size of ₹58,000 Cr and metro projects allocation of ₹19,500 Crores in the budget

### Record Freight Performance

**1,512 MT**

In FY 2022-23, a 7% increase Y-o-Y

### Private Wagon Ownership Rise

**Driven**

By government schemes, with significant potential in cement, coal, steel, and auto sectors.

### Freight & Passenger Capacity Goals

**2.5x**

Increase freight by rail to 45% by 2030, and passenger demand forecast to grow 2.5x by 2051

### Massive Wagon Orders

**~72,000 wagons**

Record placement for ~72,000 wagons, with 40,000 more anticipated

### Promising Future

#### Procurement Plans:

90,000 wagons over 3 years, 5 times the annual average.

#### Fleet Expansion:

Freight target to increase to 3,000 m tonnes by 2027, necessitating a fleet of ~500,000 wagons.

#### Replacement Cycle:

~35% of existing wagons older than 15 years due for replacement.

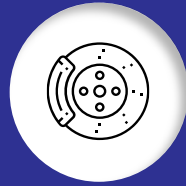
# Why Invest in Us



*Robust balance sheet*



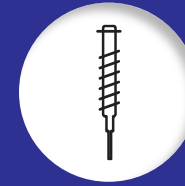
*Experienced Management at the helm of operations*



*New (Air Springs) to help improve the margin profile of the business*



*Strong Industry Tailwinds and growth visibility*



*New product (Air Springs) to significantly contribute to the topline growth*



# Thank You

For further details, please get in touch

Dhruv Bhasin  
COMPANY SECRETARY  
Frontier Springs Limited  
c.s@frontiersprings.co.in

Abhishek Mehra  
Investor Relations Advisor  
TIL Advisors  
abhishek@theinvestmentlab.in