Frontier Springs Ltd.

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CIN No. : L17119UP1981PLC005212

November 6, 2023

To
The BSE Limited
Corporate Relationship Department
1st 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

Kindly take the above on record and oblige.

Thanking You
Yours Faithfully,
For Frontier Springs Limited
Dhruv Bhasin

Digitally signed by Dhruv Bhasin
DN: c=IN, st=Uttar Pradesh,
2.5.4.20=e88c1b94c75cd4a2dafac1601372ce274d5c87488679c8f7763ce53bdb7548, postalCode=208025, street=117-N-21,Avon Market,Kakadeo,Naveen Nagar 5D,Kanpur Nagar, pseudonym=c0d8e3c1992172b2717670b2e4d2dd6, serialNumber=b7808be04b0751c29ef4628ff51bee6d9d2c6957ee4f8f8ba1227e118c7d5, title=6612, o=Personal, cn=Dhruv Bhasin
Date: 2023.11.06 20:41:50 +05'30'

Dhruv Bhasin
(Company Secretary & Compliance Officer)
Encl's: As above

IRIS Certification

SERVING THE NATION SINCE 1980

Frontier Springs Ltd.
An ISO 14001:2015 Certified Company

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

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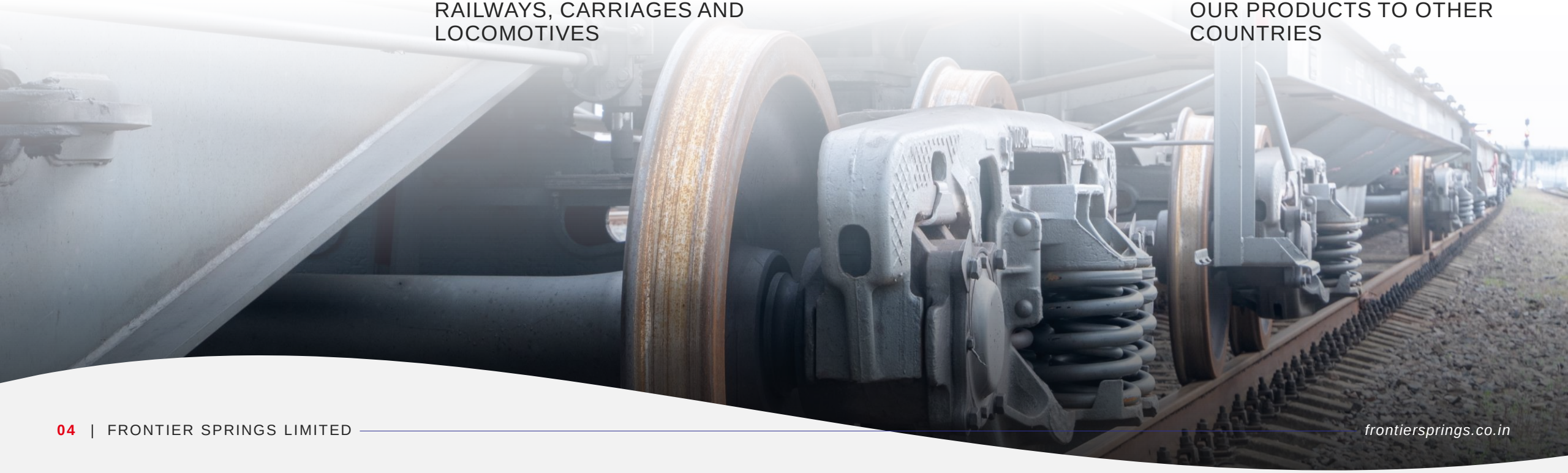
Company Overview

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

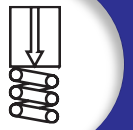
FY25
RAMP UP EXPECTED BY

~12 Cr
CAPEX INCURRED ~₹7CR

FURTHER CAPEX TO BE INCURRED ~₹5 CR

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

Products



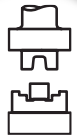
Air Springs for LHB coaches

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
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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
CONSTRUCTION	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
COMMON USE	More common in older vehicles	More common in newer vehicles	More common in newer vehicles	More common in newer vehicles
COST	Less expensive to manufacture	More expensive to manufacture	More expensive to manufacture	Cost-efficient manufacturing
VIBRATION	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

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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.

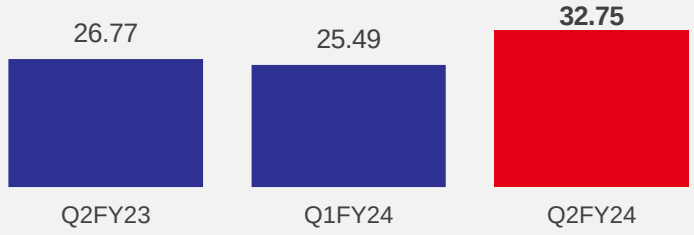
As we continue to fortify our position within the industry, the outlook for our products, with the Indian Railways, is exceptionally promising. Our focus on investment and innovation positions us well to achieve a top-line of ₹ 500 crores by 2027, as we capitalise on the opportunities that lie ahead.

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

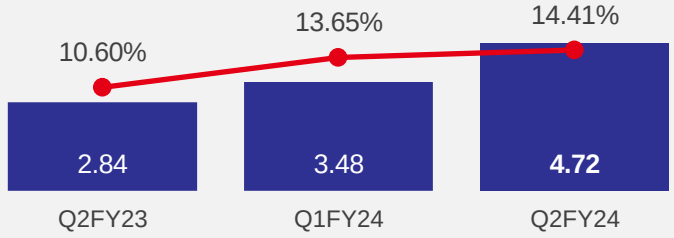
Revenue from operations

(IN ₹ CRORE)



EBITDA & EBITDA Margin

(IN ₹ CRORE & %)



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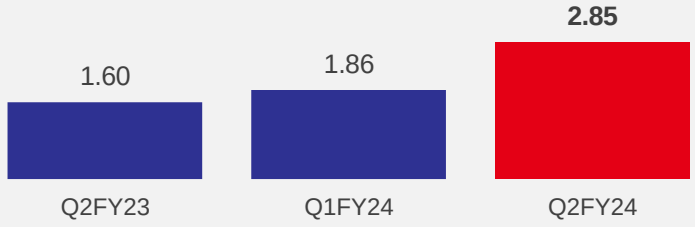
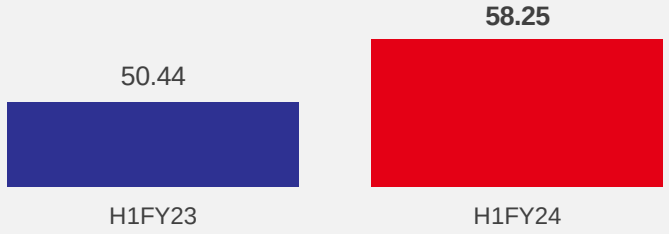
(IN ₹ CRORE)



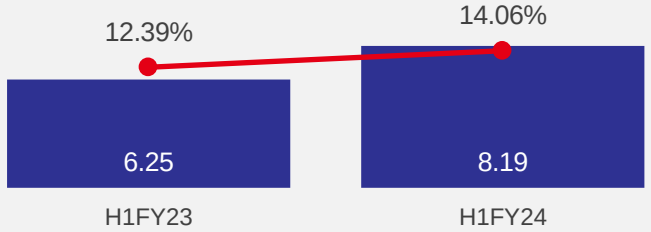
Revenue from operations

(IN ₹ CRORE)



EBITDA & EBITDA Margin

(IN ₹ CRORE & %)



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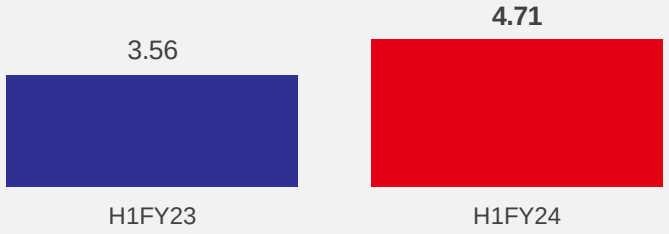
(IN ₹ CRORE)



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%)
TOTAL INCOME	**32.81**	**25.54**	**26.91**	**28.47%**	**21.92%**	**58.35**	**50.73**	**15.02%**
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
SHAREHOLDERS FUND	**80.50**	**74.68**
NON-CURRENT LIABILITIES	4.86	4.21
LONG TERM BORROWINGS	1.63	1.25
CURRENT LIABILITIES	**27.69**	**31.02**
SHORT TERM BORROWINGS	23.31	24.29
TOTAL EQUITY AND LIABILITIES	**113.05**	**109.92**
NON-CURRENT ASSETS	**62.02**	**59.38**
NET BLOCK	42.78	41.94
CURRENT ASSETS	**51.04**	**50.54**
INVENTORIES	32.31	30.28
TRADE RECEIVABLES	11.40	16.22
CASH & BANK BALANCES	4.13	2.00
TOTAL ASSETS	**113.05**	**109.92**

Summary of Cash Flow Statement

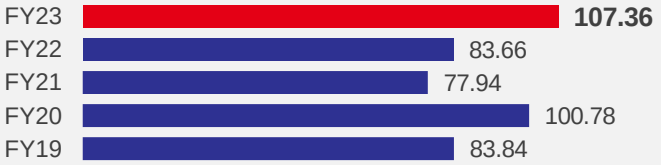
(IN ₹ CRORE)

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

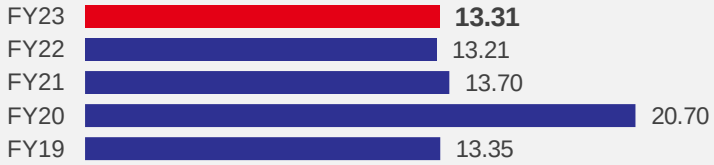
(IN ₹ CRORE)



28.33% Y-O-Y GROWTH

EBITDA

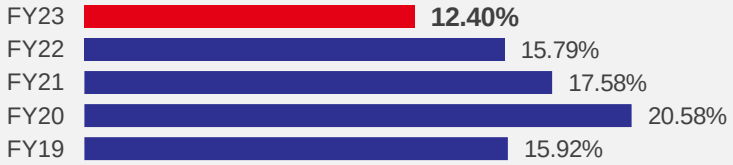
(IN ₹ CRORE)



0.75% Y-O-Y GROWTH

EBITDA margin

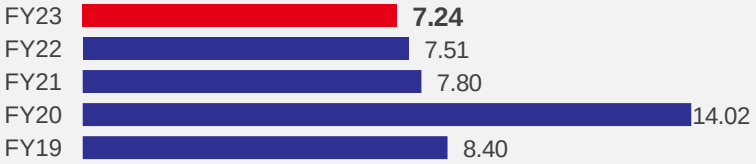
(IN %)



(339) bps Y-O-Y GROWTH

Profit After Tax

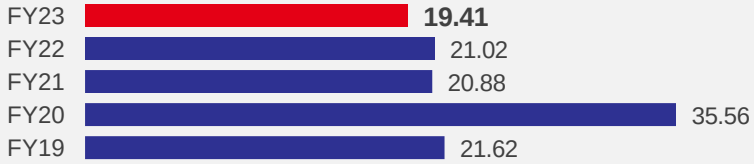
(IN ₹ CRORE)



(3.65)% Y-O-Y GROWTH

Earnings per share

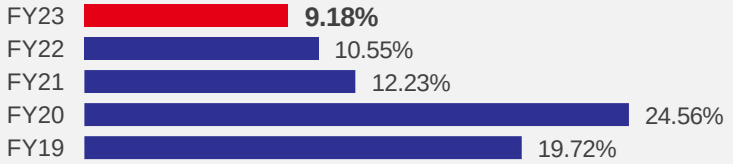
(IN ₹)



(7.66)% Y-O-Y GROWTH

RoCE

(IN %)



137 bps Y-O-Y GROWTH

04

The Future

Ready to Leverage Opportunities 26
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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

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

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

Experienced Management at the helm of operations

Strong Industry Tailwinds and growth visibility

Frontier Springs Ltd.
An ISO 14001:2015 Certified Company

Thank You

For further details, please get in touch

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TIL Advisors
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