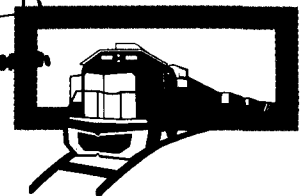
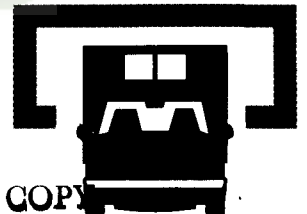
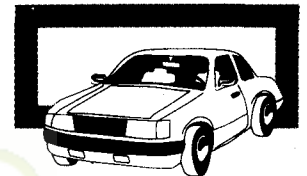
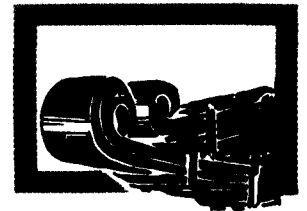


YEARS  
DEDICATED  
TO THE  
UNDYING  
SPIRIT



FRONTIER  
SPRINGS LIMITED

# FRONTIER SPRINGS LIMITED

## ANNUAL REPORT 2001-2002

### BOARD OF DIRECTORS

Shri ANUP SINGH, *Chairman*

Shri KUNDAN LAL BHATIA, *Managing Director*

Shri KAPIL BHATIA

Smt. SUSHMA BHATIA

Shri NEERAJ BHATIA

### COMPANY SECRETARY

Shri SAURABH GUPTA

### AUDITORS

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

(For Electronic Connectivity)

M/s. ALANKIT ASSIGNMENT LIMITED

205-208, ANARKALI MARKET

JHANDEWALAN EXTENSION

NEW DELHI-110 055

### SHARES LISTED AT

KANPUR, MUMBAI, CALCUTTA, DELHI &

AHMEDABAD STOCK EXCHANGES

### REGISTERED OFFICE

E-14, PANKI INDUSTRIAL AREA, SITE-I, PANKI, KANPUR - 208 022

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**TWENTY SECOND ANNUAL REPORT****NOTICE**

NOTICE is hereby given that the TWENTY SECOND ANNUAL GENERAL MEETING of the members of FRONTIER SPRINGS LIMITED will be held on Thursday, the 26th day of September, 2002, at 11.00 A.M., at the Registered office of the Company at E-14, Panki Industrial Area, Site - I, Panki, Kanpur 208 022, to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002, Profit and Loss Account for the financial year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Anup Singh, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :-

"RESOLVED that pursuant to the provisions of Section 224 of the Companies Act, 1956 and other applicable provisions, if any, M/s. Sanjany Nandani & Co., Chartered Accountants, being eligible, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration of Rs. 40,000/- (Rupees Forty Thousands Only)."

**SPECIAL BUSINESS**

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :  
 "RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications and re-enactments thereof, for the time being in force and the provisions of other statutes as applicable and subject to such approval as may be necessary the Articles of Association of the Company be and is hereby altered in the manner and to the extent hereunder :
  - I. That in the existing Article 2
    - a) The following new definition be inserted after the definition of the "Auditors" :  
 'Beneficial Owner' means a beneficial owner as defined in Clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996
    - b) The following new definition be inserted after the definition of the "Debenture" :  
 "Depository" means a Depository as defined in Clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1956.
    - c) The existing definition of "Dividend" be deleted and substituted by the following definition :  
 "Dividend" includes interim dividend
    - d) The existing definition of "Member" be deleted and substituted by the following definition :  
 "Member" means the duly registered holder of the shares of the Company from time to time and includes the subscribers to the Memorandum of Association of the Company and Beneficial owner(s) as defined in Clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.
    - e) The existing definition of "Register of Members" be deleted and substituted by the following definition :  
 "Register of Members" means the Register of Members to be kept pursuant to the provisions of the Act and includes the Register of Beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996."
    - f) The following new definition be inserted after the definition of the "Seal" :  
 "SEBI" means The Securities and Exchange Board of India ;  
 "Security" means securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 and includes hybrids.
  - II. The following new Articles be inserted after (the heading Shares & Certificates) existing Article 10A of the Articles of Association of the Company numbered as Article 10A and 10B
    - 10A.Dematrisation/Rematerialisation of Securities  
 Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its existing securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996 and rules framed thereunder, if any.
    - 10B.Notwithstanding anything in the Act, or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or delivery of floppies or discs.
  - III. The existing Article 11 be deleted and the following new Article be substituted as Article 11 of the Articles of Association of the Company
    11. Register and Index of Members  
 The Company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Act and the Depositories Act, 1956, with details of shares held in material and

dematerialised form in any media as may be permitted by Law including in any form of electronic media. The Company shall be entitled to keep in any State of Country outside India a Branch Register of Members resident in that State or Country.

- IV. The following new Article be inserted after existing Article 12 of the Articles of Association of the Company numbered as Article 12A

**12A. Securities in depositories to be in fungible form**

All the securities held by a depository shall be dematerialised and be in fungible form and nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to them.

Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

- V. The following new Article be inserted after existing Article 18 of the Articles of Association of the Company numbered as Article 18A

18 A. i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

ii) Save as otherwise provided in i) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be as member of the Company.

The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

- VI. The following new Article be inserted after existing Article 20 of the Articles of Association of the Company numbered as Article 20A

**20A. Options for Investors**

Every person subscribing to the securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the Law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

- VII. The following new Article be inserted after existing Article 52 of the Articles of Association of the Company numbered as Article 52A

52A. Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

- VIII. The following new Article be inserted after existing Article 57 of the Articles of Association of the Company numbered as Article 57A

**57A Nomination of Shares**

1. Every holder/joint holder of shares or holder/joint holder of debentures of the Company may at any time, nominate in accordance with the provisions of and in the manner provided by Section 109A of the Companies Act, 1956 and any amendments thereof from time to time, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of the holder/joint holder.

2. Subject to the provisions of Section 109A of the Act, and Article 57A(1), any person who becomes a nominee by virtue of the provisions of the Act, upon the production of such evidences as may be required by the Board or committee thereof, elect either to be registered himself as holder of the shares or debentures as the case may be, or make such transfer of the share or debenture as the case may be, as the deceased share holder or debenture as the case may be, could have made, in accordance with the provisions of and in the manner prescribed by the Section 109B of the Companies Act, 1956 and any amendments thereto from time to time;

Provided that the Board may, at any time, give notice requiring any such person to elect either to be register himself or to transfer the share or debenture and if notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses, or other money payable in respect of the share or debenture until the requirements of the notice have been complied with.

3. A person, being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividend and other advantages to which he would be entitled if he were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

**TWENTY SECOND ANNUAL REPORT**

IX. In the existing Article 179 of the Articles of Association of the Company, the words "shall exceed Rs. 25 Lacs" shall be deleted and be substituted by the following "shall exceed the limit as may be prescribed from time to time by the Act".

Registered Office :  
E-14, Panki Industrial Area,  
Site-1, Panki  
Kanpur-208 022  
Date : 19th July, 2002

By order of the Board

SAURABH GUPTA  
Company Secretary

**Notes :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY, IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The relative Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business under item No. 4 as set out above is annexed.
3. Members who hold shares in dematerialised form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
4. As already notified The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 21st September, 2002 to Thursday, 26th September, 2002, both days inclusive.
5. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company during business hours on all working days upto the date of the Annual General Meeting.
6. Members are requested to :-
  - (i) consider dematerialising the Equity shares held by them.
  - (ii) bring their copy of Annual Report and duly completed attendance slip for attending the meeting.
  - (iii) quote their Folio number/DP Identity and Client Identity in all correspondence.
7. Members desirous of obtaining any information concerning the Accounts and operations of the Company are requested to write to the Company atleast seven days before the date of the meeting, to enable the management to make the information available at the meeting to the best possible extent.
8. Members holding shares either singly or jointly in identical order in more than one Folios are requested to write to the Company enclosing the share certificates to enable the Company to consolidate their holdings in one Folio.
9. Members desirous of making a nomination in respect of their holdings in the Company are requested to submit the prescribed Form 2B duly completed to the Secretarial Department of the Company. The prescribed form will be available on request.

**ANNEXURE TO NOTICE****Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.****Item No. 4**

In order to bring your Company's Articles of Association in line with the Depositories Act, 1996, amended Companies Act, 1956, and the Depository System etc., requirement of corresponding changes in Articles of Association was felt imperative.

Therefore, certain changes pertaining to Nomination facilities, Dematerialisation etc. are being proposed to be made in the Articles of Association of the Company for safeguarding the interest of valued investors.

In relation to dematerialisation of shares your Company has entered into Tripartite Agreement with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). This arrangement would facilitate the holding and trading of securities of the Company in electronic mode. Company's shares have already been admitted as an eligible security in the Depository System by NSDL and CDSL and can be dematerialised at the option of the Shareholder.

It is, therefore, proposed to pass a Special Resolution to give effect to the changes, in the Articles of Association of the Company on the lines mentioned therein.

Your Directors recommend the resolution for your approval

None of the Directors of your Company is concerned or interested in the proposed resolution.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations and other relevant documents referred to in the Notice are available for inspection by the members of the Company at the Registered office, during business hours, on all working days upto the date of Annual General Meeting.

Registered Office :  
E-14, Panki Industrial Area,  
Site-1, Panki  
Kanpur-208 022  
Date : 19th July, 2002

By order of the Board

SAURABH GUPTA  
Company Secretary



## DIRECTORS' REPORT

To,  
The Members of,  
Frontier Springs Limited

Your Directors have pleasure in presenting the 22nd Annual Report of the Company alongwith the audited statements of Accounts for the year ended 31st March, 2002.

### FINANCIAL RESULTS

	2001-2002 Rs.
Profit for the year before Depreciation	33,57,715.90
Depreciation for the year	22,83,630.07
Profit after Depreciation	10,74,085.83
Prior period expenses	1,04,794.00
Income tax for the year	
Current	13,000.00
Deferred	6,20,156.00
Net Profit	3,36,135.83
<b>APPROPRIATIONS</b>	
General Reserve	3,36,135.83

For the first time the concept of deferred tax was introduced in India by Accounting Standard No. 22 "Accounting for Taxes on Income" which has become mandatory with effect from April 1, 2001. Accordingly the Company has provided Rs. 6,20,156.00 toward deferred tax for the year.

### DIVIDEND

Due to current business scenario the Board of Directors at their meeting held on 19.07.2002 had decided to retain the profits of the Company and not to declare any dividend for the year under review.

### OPERATIONS

Recessionary conditions, flagging demand coupled with depressed price realisation brought the over all profitability of the Company under pressure. However, best possible efforts are being made to increase the production as market is indicating revival signs. As a measure of cost control and to improve efficiency, Board has relocated production facilities of a Unit. Therefore, overall we are confident for a better performance in near future.

### FUTURE PROSPECTS

The Management will continue to concentrate on all possible areas of improvement and make the product more competitive and reliable in all aspects. The order position of the Company is quite encouraging. The Company has already succeeded in availing better opportunities and orders from Railways, Wagon Manufacturers, VFJ Jabalpur, State Transport undertaking etc. and is optimistic to continue trend during the year. Your Company is also negotiating with neighbouring and other countries for supply of coil springs to them and we are hopeful to get good export orders from them.

### DIRECTORS

Smt. Sonia Bhatia has resigned from the Board of Directors of the Company. The Board has placed on record its appreciation for the valuable services rendered by Smt. Sonia Bhatia during her association with the Company.

Shri Anup Singh, Director of the Company retire from the Board by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

### AUDITORS

The retiring Auditors, M/s. Sanjay Nandani & Co., Chartered Accountants, being eligible offer themselves for re-appointment. The Auditors have, under Section 224(1B) of the Companies Act, 1956 furnished certificate of their eligibility for the appointment.

**TWENTY SECOND ANNUAL REPORT**

The observations of Auditors in their report read with notes to the Accounts are self explanatory and therefore, do not call for any further information and explanation.

**DIRECTORS RESPONSIBILITY STATEMENT**

Your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956 :-

- i) that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgements 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 the profit or loss of the Company for that period;
- iii) that 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) that the Directors have prepared the annual accounts on a going concern basis ;

**PARTICULARS OF EMPLOYEES**

Your Company continues to enjoy cordial relations with the employees at all levels.

There was no employee drawing remuneration to the extent which requires disclosure under Section 217(2A) Of the Companies Act, 1956.

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

As per the requirements of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, details relating to conservation of Energy technology absorption and foreign exchange earnings and outgo are given in the Annexure I forming part of this report.

**LISTING INFORMATION**

The Equity Shares of the Company are listed at Kanpur (the Regional Stock Exchange), Mumbai, Delhi, Calcutta and Ahmedabad Stock Exchanges. Accordingly the Annual listing fee upto financial year 2001-2002 has been paid in respect of all the above Stock Exchanges.

**CORPORATE GOVERNANCE**

Your Company has always tried to follow the policy of conducting business with due compliance of Laws, Regulations, Procedures etc. We are already following most of the requirements of Corporate Governance code as prescribed by the SEBI ahead of its prescribed time schedule. However, the Company is taking steps to ensure that before prescribed date other obligations as per the Listing Agreement are also complied with.

**DEMATERIALISATION OF SHARES**

Your Company had entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable trading of the shares in dematerialised form and has appointed M/s. Alankit Assignments Ltd., New Delhi as their RTA for electronic connectivity. Accordingly, shareholders can now dematerialise their holdings through their respective Depository Participants. The ISIN No. allotted to the Company's Share by NSDL and CDSL is INE572DO1014.

Your Company also offers transfers cum demat facility to expedite the dematerialisation process.

**ACKNOWLEDGEMENTS**

Your Directors place on record their deep appreciation for the devoted services and support of the loyal workers, staff and the executives of the Company. We are also thankful to Central Government, Indian Railways, various State Governments, the Bank, district level authorities, for their continued support extended to the Company from time to time.

*For and on Behalf of the Board*

Place : Kanpur  
Date : 19th July, 2002

K. L. BHATIA  
Managing Director

KAPIL BHATIA  
Director

**ANNEXURE-I**

**PARTICULARS REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2002**

**CONSERVATION OF ENERGY**

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

- a) Measures Taken : Optimum utilisation of Heat treatment furnace.
- b) Additional Investment : Phased replacement of old machines/equipments.
- c) Impact of a) & b) : The measures taken by the Company for conservation of energy have resulted in optimum usage of energy.
- d) Total energy conservation etc. :- Form A Not Applicable

**RESEARCH & DEVELOPMENT**

There is no separate and full-fledged R&D department. However, the personnel engaged in the process, production, maintenance etc., undertake activities which are aimed at improvements in following areas :

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

- a) Development of Springs for LHB Coaches.
- b) Installation of converised Powder Coating Plant.
- c) Installation of CNC Machine for marking and Stamping on Springs.

*Benefits derived as a result of Research & Development :-*

- a) By developing Springs for LHB Coaches we will be able to replace the import of particular Springs which Indian Railways is presently importing from Germany and in turn our Country will save lots of foreign Exchange and we will also get business from Railways.
- b) Railways are now pressing hard for supply of all the Springs duly powder Coated. Looking to the future demand we are installing converised Powder Coating Plant for better quality of Springs.
- c) With the installation of CNC Machine for Stamping and Marking we will improve upon the quality of Markings & Identifications.

**Future Plan of Action**

Exploration of avenues for continuous cost reduction measures. Minimum of waste and maximum utilisation of waste, technological upgradation and continue to build and accelerate the existing competencies and expand the range of related measures taken.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

Efforts made :-

- Systematic training of personnel to reduce time, cost and at the same time maintaining the quality levels.

Benefits derived :-

- In your Company continuous efforts are made to refine techniques and technologies resulting in enhancement of overall quality and productivity, resultant Products are more competitive, competitive cost of production, increased product's life and customer satisfaction

**Imported Technology :** The Company did not import any technology during the year.

**Foreign Exchange Earnings and Outgo :** NIL

*For and on Behalf of the Board*

Place : Kanpur  
Date : 19th July, 2002

K. L. BHATIA  
Managing Director

KAPIL BHATIA  
Director



## TWENTY SECOND ANNUAL REPORT

### AUDITORS' REPORT

To the Members,  
Frontier Springs Limited

We have audited the attached Balance Sheet of Frontier Springs Limited as at 31.03.2002 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in para 4 and 5 of the said order.

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

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) In our opinion, proper Books of Accounts as required by law have been kept by the Company, so far as appears from our examination of those books;
- iii) The Balance Sheet & Profit & Loss Account dealt with by this Report are in agreement with the Books of Account;
- iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- v) On the basis of written representations received from the directors, as on 31.03.2002 and taken on record by the Board of Directors, we report that none of the director is prima facie disqualified as on 31.03.2002 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to **non availability of balance confirmation and reconciliation thereof from parties as stated in note no. 3** give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - (i) In the case of Balance Sheet of the State of affairs of the Company as at 31.03.2002, and
  - (ii) In the case of Profit & Loss Account, of the profit for the year ended on that date.

For SANJAY NANDANI & Co.  
Chartered Accountants  
MANISH GUPTA  
Partner

Place : Kanpur  
Date : 27.06.2002

#### ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of the Auditors' Report to the Shareholders of Frontier Springs Limited on the account for the year ended on 31st March, 2002.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) Physical verification of Fixed Assets has been conducted by the management at the end of the year, to the best of our knowledge no serious discrepancies have been noted on verification.
2. None of the Fixed assets have been revalued during the year.
3. The stocks of Finished Goods, stores, spare parts & Raw Materials have been physically verified during the year by the management. In our opinion, frequency of verification is reasonable.
4. In our opinion, procedures of physical verification of stocks followed by management is reasonable and adequate in relation to the size of the Company and nature of its business.
5. The discrepancies noticed on verification between the physical stocks and book records were not significant.
6. In our opinion, the valuation of stock of finished goods, stores, spare parts and raw material have been fair and