

Frontier

YEARS
DEDICATED
TO THE
UNDYING
SPIRIT

Annual Report
2009-2010

FRONTIER
SPRINGS LIMITED



FRONTIER SPRINGS LIMITED

ANNUAL REPORT 2009-2010

BOARD OF DIRECTORS

Shri KUNDAN LAL BHATIA, *Chairman & Managing Director*

Shri KAPIL BHATIA, *Managing Director*

Shri NEERAJ BHATIA

Smt. SUSHMA BHATIA

Shri PREM SAGAR

Shri PRADEEP K. GOENKA

Shri R. K. BHATIA

Shri YASHPAL

COMPANY SECRETARY

Shri DEEPAK BHASIN

AUDITORS

M/s. SANJAY NANDINI & Co.

Chartered Accountants

OFF No. 229, 2nd FLOOR,

63/2, CITY CENTRE,

THE MALL,

KANPUR - 208 004

BANKERS

STATE BANK OF INDIA

INDUSTRIAL FINANCE BRANCH,

SARVODAYA NAGAR, KANPUR

REGISTRAR AND SHARE TRANSFER AGENT

(For Electronic Connectivity)

M/s. ALANKIT ASSIGNMENT LIMITED

205-208, ANARKALI MARKET

JHANDEWALAN EXTENSION

NEW DELHI-110 055

REGISTERED OFFICE

E-14, PANKI INDUSTRIAL AREA, SITE-1

PANKI, KANPUR-208 022

Website : <http://www.frontiersprings.co.in>

PLANTS

i) KM 25/4, KALPI ROAD, RANIA,
KANPUR DEHAT - 209 304 (U.P.)

ii) 91/2, VILLAGE KUNJA, NEAR DENTAL COLLEGE
PAONTA SAHIB (H.P.)

CONTENTS

	Page No.
Notice of AGM	2
Directors' Report	12
Corporate Governance Certificate	13
Management Discussion & Analysis	15
Report on Corporate Governance	16
Auditors' Report	23
Balance Sheet	26
Profit & Loss Account	27
Schedules to the Accounts	28
Notes forming part of Accounts	37
Cash Flow Statement	46

THIRTIETH ANNUAL REPORT

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of FRONTIER SPRINGS LIMITED will be held on Thursday, 30th September, 2010 at 12.30 p.m. at the Registered Office of the Company at E-14, Panki Industrial Area, Site-I, Panki, Kanpur- 208022 to transact the following businesses :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and Profit and Loss Account for the financial year ended on that date together with Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Smt. Sushma Bhatia who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Shri. Prem Sagar who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, and to fix their remuneration, and for the purpose, to consider, and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 224 of the Companies Act, 1956, M/s Sanjay Nandini & Co., Chartered Accountants, Kanpur, the retiring Auditors be and are hereby reappointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual general Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to section 198, 309, 310, 311 and 317 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to necessary approval of shareholders, consent of the Company be and is hereby accorded for the increase in remuneration of Sh. K.L. Bhatia, Chairman cum Managing Director of the Company with effect from 1st April 2010 for the remainder term of his office up to 31st March 2012, including payment of remuneration on the terms and conditions set out below, with liberty to the Board of Directors to alter and vary the terms and conditions, not exceeding the limit specified under Schedule XIII of the Companies Act, 1956 or any statutory modification or re-enactment thereof : -

SALARY : Rs. 1,50,000 per month.

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

PART - A

Housing : The expenditure incurred by the Company on Gas, Electricity, water & furniture subject to maximum of Rs. 25,000/- p.m. and shall be valued as per Income-Tax Rules, 1962.

Medical Reimbursement : Expenses incurred for self and family subject to a ceiling of one month's salary per year to three months' salary in a block of three years.

Leave Travel Concession : Actual amount incurred in respect of leave travel for proceeding to any place in India for self and family once in a year shall be reimbursed, subject to ceiling of Rs. 2,00,000/- (Rupees Two Lacs) per annum. The entitlement for one year to the extent not availed shall be allowed to be accumulated up to next two years.

Entertainment expenses and other business expenses : Reimbursement of entertainment, travelling including foreign travel and all other expenses if any, actually and properly incurred for the business of the Company including reimbursement of travelling expenses of the family accompanying the Chairman cum Managing Director on any official trip.

Club Fee : Reimbursement of fees of clubs subject to maximum of four clubs. No admission and life membership fees will be paid.

Personal Accident Insurance : Premium not to exceed Rs. 4,000/- per annum.

PART - B

Contribution to (a) Provident Fund (b) Super Annuation Fund or Annuity fund as per Company's rules. These will not be included in the computation of the ceiling on perquisites to the extent either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity not exceeding half month's salary for each completed year of service.

PART - C

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

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

INCENTIVE

In addition to salary and perquisites as above, the Chairman cum Managing Director shall without any further approval of the Remuneration Committee, Board of Directors and shareholders of the Company as the case may be, also be entitled to have incentive from the Financial year commencing from 1st April 2010, to be determined in consultation with him at the end of each quarter in the Financial year provided that the aggregate amount of remuneration by way of salary, perquisites and incentive as above shall be subject to ceiling of Rs. 24,00,000/- per annum (Rupees Twenty Four Lacs) as remuneration in accordance with maximum limit of remuneration as may be permitted under Section II (B) of Part II of Schedule XIII to the Companies Act, 1956.

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

MINIMUM REMUNERATION

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

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

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution :

“RESOLVED THAT pursuant to section 198, 309, 310, 311 and 317 and read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to necessary approval of shareholders, consent of the Company be and is hereby accorded for the re-appointment of Sh. Kapil Bhatia Managing Director of the Company with effect from 5th January 2009 for the remainder term of his office up to 4th January 2012 including payment of remuneration on the terms and conditions set out below, with liberty to the Board of Directors to alter and vary the terms and conditions, not exceeding the limit specified under Schedule XIII of the Companies Act, 1956 or any statutory modification or re-enactment thereof : -

SALARY : Rs. 1,25,000 per month.

PERQUISITES : In addition to the salary, the Managing Director shall be entitled to

following perquisites categorized in three Parts A, B & C as follows :

PART - A

Housing : The expenditure incurred by the Company on Gas, Electricity, water & furniture subject to maximum of Rs. 25,000/- p.m. and shall be valued as per Income-Tax Rules, 1962.

Medical Reimbursement : Expenses incurred for self and family subject to a ceiling of one month's salary per year to three months salary in a block of three years.

Leave Travel Concession : Actual amount incurred in respect of leave travel for proceeding to any place in India for self and family once in a year shall be reimbursed, subject to ceiling of Rs 2,00,000/-(Rupees Two Lacs) per annum. The entitlement for one year to the extent not availed shall be allowed to be accumulated up to next two years.

Entertainment expenses and other business expenses : Reimbursement of entertainment, travelling including foreign travel and all other expenses if any, actually and properly incurred for the business of the Company including reimbursement of travelling expenses of the family accompanying the Managing Director on any official trip.

Education Allowances : Reimbursement of Education expenses and all other related expenses for the purposes of education of the Children shall be reimbursed if any, actually and properly incurred.

Club Fee : Reimbursement of fees of clubs subject to maximum of four clubs. No admission and life membership fees will be paid.

Personal Accident Insurance : Premium not to exceed Rs. 4,000/- per annum.

PART – B

Contribution to (a) Provident Fund (b) Super Annuation Fund or Annuity fund as per Company's rules. These will not be included in the computation of the ceiling on perquisites to the extent either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity not exceeding half month's salary for each completed year of service.

PART – C

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

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

THIRTIETH ANNUAL REPORT

INCENTIVE

In addition to salary and perquisites as above, the Managing Director shall without any further approval of the Remuneration Committee, Board of Directors and shareholders of the Company as the case may be, also be entitled to incentive from the Financial year commencing from 1st April 2010, to be determined in consultation with him at the end of each quarter in the financial year provided that the aggregate amount of remuneration by way of salary, perquisites and incentive as above shall be subject to ceiling of Rs. 24,00,000/- per annum (Rupees Twenty Four Lacs) as remuneration in accordance with maximum limit of remuneration as may be permitted under Section II (B) of Part II of Schedule XIII to the Companies Act, 1956.

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

MINIMUM REMUNERATION

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

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

7. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution :

“RESOLVED THAT pursuant to section 198, 309, 310, 311 and read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to necessary approval of shareholders, consent of the Company be and is hereby accorded for the re-appointment of Sh. Neeraj Bhatia, Whole Time Director of the Company with effect from 1st April 2010 for the remainder term of his office up to 31st March 2012 including payment of remuneration on the terms and conditions set out below, with liberty to the Board of Directors to alter and vary the terms and conditions, not exceeding the limit specified under Schedule XIII of the Companies Act, 1956 or any statutory modification or re-enactment thereof :-

SALARY : Rs. 1,25,000 per month.

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

PART - A

Housing : The expenditure incurred by the Company on Gas, Electricity, water & furniture subject to maximum of Rs.25,000/- p.m. and shall be valued as per Income-Tax Rules, 1962.

Medical Reimbursement : Expenses incurred for self and family subject to a ceiling of one month's salary per year to three months salary in a block of three years.

Leave Travel Concession : Actual amount incurred in respect of leave travel for proceeding to any place in India for self and family once in a year shall be reimbursed, subject to ceiling of Rs 2,00,000/-(Rupees Two Lacs) per annum. The entitlement for one year to the extent not availed shall be allowed to be accumulated up to next two years.

Entertainment expenses and other business expenses : Reimbursement of entertainment, travelling including foreign travel and all other expenses if any, actually and properly incurred for the business of the Company including reimbursement of travelling expenses of the family accompanying the Whole Time Director on any official trip.

Education Allowances : Reimbursement of Education expenses and all other related expenses for the purposes of education of the Children shall be reimbursed if any, actually and properly incurred.

Club Fee : Reimbursement of fees of clubs subject to maximum of four clubs. No admission and life membership fees will be paid.

Personal Accident Insurance : Premium not to exceed Rs. 4,000/- per annum.

PART - B

Contribution to (a) Provident Fund (b) Super Annuation Fund or Annuity fund as per Company's rules. These will not be included in the computation of the ceiling on perquisites to the extent either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity not exceeding half month's salary for each completed year of service.

PART - C

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

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

INCENTIVE

In addition to salary and perquisites as above, the Whole-

Time Director shall without any further approval of the Remuneration Committee, Board of Directors and shareholders of the Company as the case may be, also be entitled to incentive from the Financial year commencing from 1st April 2010, to be determined in consultation with him at the end of each quarter in the financial year provided that the aggregate amount of remuneration by way of salary, perquisites and incentive as above shall be subject to ceiling of Rs. 24,00,000/- per annum (Rupees Twenty Four Lacs) as remuneration in accordance with maximum limit of remuneration as may be permitted under Section II (B) of Part II of Schedule XIII to the Companies Act, 1956 "RESOLVED FURTHER THAT the Board of Directors of the Company be and hereby authorized to alter, amend, vary, enhance or modify the scope and quantum of remuneration of Sh. Neeraj Bhatia as it may deem proper from time to time as shall be permissible and in conformity with applicable provisions of the Companies Act, 1956."

MINIMUM REMUNERATION

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

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

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

"RESOLVED THAT pursuant to section 198, 309, 310, 311 and read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to necessary approval of shareholders, consent of the company be and is hereby accorded hereby accorded for the re-appointment of Smt. Sushma Bhatia Whole-Time Director of the Company with effect from 5th January 2009 for the remainder term of her office up to 4th January 2012 including payment of remuneration on the terms and conditions set out below, with liberty to the Board of Directors to alter and vary the terms and conditions, not exceeding the limit specified under Schedule XIII of the Companies Act, 1956 or any statutory modification or re-enactment thereof : -

SALARY : Rs. 1,00,000 per month.

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

PART - A

Housing : The expenditure incurred by the Company on Gas, Electricity, water & furniture subject to maximum of Rs. 25,000/- p.m. and shall be valued as per Income-Tax Rules, 1962.

Medical Reimbursement : Expenses incurred for self and family subject to a ceiling of one month's salary per year to three months salary in a block of three years.

Leave Travel Concession : Actual amount incurred in respect of leave travel for proceeding to any place in India for self and family once in a year shall be reimbursed, subject to ceiling of Rs. 2,00,000/-(Rupees Two Lacs) per annum. The entitlement for one year to the extent not availed shall be allowed to be accumulated up to next two years.

Entertainment expenses and other business expenses : Reimbursement of entertainment, travelling including foreign travel and all other expenses if any, actually and properly incurred for the business of the Company. Including reimbursement of travelling expenses of the family accompanying the Whole Time Director on any official trip.

Club Fee : Reimbursement of fees of clubs subject to maximum of four clubs. No admission and life membership fees will be paid.

Personal Accident Insurance : Premium not to exceed Rs. 4,000/- per annum.

PART - B

Contribution to (a) Provident Fund (b) Super Annuation Fund or Annuity fund as per Company's rules. These will not be included in the computation of the ceiling on perquisites to the extent either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity, not exceeding half month's salary for each completed year of service.

PART - C

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

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

INCENTIVE

In addition to salary and perquisites as above, the Whole-Time Director shall without any further approval of the Remuneration Committee, Board of Directors and shareholders of the Company as the case may be, also be entitled to incentive from the Financial year commencing from 1st April 2010, to be determined in consultation with

THIRTIETH ANNUAL REPORT

her at the end of each quarter in the financial year provided that the aggregate amount of remuneration by way of salary, perquisites and incentive as above shall be subject to ceiling of Rs. 15,00,000/- per annum (Rupees Fifteenth Lacs) as remuneration in accordance with maximum limit of remuneration as may be permitted under Section II (A) of Part II of Schedule XIII to the Companies Act, 1956.

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

MINIMUM REMUNERATION

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

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

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

“RESOLVED THAT pursuant to the provisions of section 314 of the Companies Act, 1956, and other applicable provisions, if any, of the Companies Act, 1956, and subject to necessary approval of shareholders, consent of the Company be and is hereby accorded to the appointment of Smt. Mamta Bhatia, a relative of Sh. Kapil Bhatia, Managing Director and Sh. Neeraj Bhatia, Whole time director of the Company, as an employee in the management cadre of the company, with the designation as the Manager Commercial of the Company with effect from 31st August, 2010 on a basic salary of Rs. 20,000 p.m. (in the scale of Rs. 20,000-5,000-50,000) together with the usual allowances and benefits applicable to employees occupying similar posts in the said management cadre including bonus, retiring gratuity and provident fund benefits, and that the directors be and they are hereby authorized to grant from time to time to Smt. Mamta Bhatia such increment or increments as the Directors may, in their discretion think fit but, so that her basic salary shall not exceed Rs.50,000/- per month.”

Registered Office :
E-14, Panki Industrial Area,
Site-1, Panki,
Kanpur-208022
Dated : 12.08.2010

By order of the Board

DEEPAK BHASIN

Company Secretary

NOTES :

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy in order to be effective must be deposited at the Registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
- The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business under item nos. 5 to 8 is annexed herewith.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 24th Sep. to 30th Sep. 2010 (both dates inclusive).
- Members holding shares in identical order of names in more than one folio are requested to write to the Company, enclosing the Share Certificates for consolidation of their holding into one folio.
- Members holding Shares in physical form may write to the Company for change in their address, if any, under their signature clearly quoting their folio numbers, old address along with the changed address with Pin Code, and Members holding Shares in electronic form may inform any change in address to their Depository Participants.
- Members holding Shares in electronic form are requested to provide their Client-ID and DP-ID numbers at the meeting for easy identification.
- Members desirous of obtaining any information/clarification concerning the Accounts and Operation of the Company are requested to address their queries in writing to the Company Secretary at least seven days before the Annual General Meeting, so that the desired information may be made available at the Annual General Meeting, if the Chairman permits to do so.
- The Shares of the Company are compulsorily tradable in demat form. The equity Shares of the Company have been assigned ISIN INE572D01014. Members are requested to get their Shares dematerialized at the earliest to make them tradable.
- The relevant details in respect of item No.2 and 3 pursuant to Clause 49 of the Listing Agreement are enclosed herewith marked as Annexure 'A' to this Notice.
- Corporate Members intending to send their Authorised Representative to attend the Meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.

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

Item No. 5

Shri K.L. Bhatia is one of the founder Director of the Company and he has been instrumental in turning around the Company. The Board of the Directors of the Company at its meeting held on 30th May, 2009 had re-appointed him as a Chairman cum Managing Director of the Company with effect from 1st April, 2009 in accordance with the provisions of the Companies Act, 1956. The Shareholders in their Twenty Ninth Annual General Meeting held on 31st July 2009 had approved the appointment and remuneration payable to Shri K.L. Bhatia.

It is now proposed to increase the remuneration, payable to Shri K.L.Bhatia, Chairman cum Managing Director after obtaining shareholders approval for remaining term of his appointment with effect from 1st April 2010. The enhanced remuneration payable to Shri K.L.Bhatia is within the permissible limits specified in Schedule XIII of the Companies Act, 1956 which has been duly approved by remuneration committee and Board of Directors in their meetings held on 12.08.2010 respectively. The management believes that the proposed remuneration is comparable with respect to industry, size of the Company, profile of the position and person and is commensurate with the responsibility being shouldered in the Company and the size and extent of business operations.

INFORMATION PURSUANT TO CLAUSE B(iv) OF SECTION II OF PART II OF SCHEDULE XIII TO THE COMPANIES ACT, 1956.

I. GENERAL INFORMATION :

- (1) **Nature of industry :-**
Manufacturer of Railway Springs, and Other Springs.
- (2) **Date or expected date of commencement of commercial production :-**
Existing unit for more than 29 years.
- (3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :-**
Not applicable.
- (4) **Financial performance based on given indicators:-**

(Rs. in Lacs)

Financial Parameter	Years		
	2007-08	2008-09	2009-10
Turnover	2834.73	3019.72	3641.00
Net Profit (before Tax)	100.94	142.85	465.97

- (5) **Export performance and net foreign exchange collaborations:-**
Nil

- (6) **Foreign investments or collaborators, if any :-**
Nil

II. INFORMATION ABOUT THE APPOINTEE :

- (1) **Background details :-**

Mr. K.L. Bhatia is a Electrical Engineer and having more than 40 years of industrial experience in managing the operations of Frontier Group.

- (2) **Past remuneration :-**

Rs. 15,00,000/- p.a.

- (3) **Recognition or awards :-**

National Award for outstanding Entrepreneur awarded by Sh. Zail Singh, Hon'ble President of India, in the year 1984.

Udyog Patra awarded by Dr. S. D. Sharma, Hon'ble President of India, in the year 1995.

- (4) **Job profile and his suitability :-**

Subject to the overall control, supervision, directions and instructions of the Board of Directors of the Company, he looks after the day to day management of the Company.

- (5) **Remuneration proposed :-**

Salary plus Incentives based on performance Rs. 24,00,000/- p.a.

- (6) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) :-**

The proposed remuneration is in line with prevailing industry remuneration structure.

- (7) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any :-**

Apart from remuneration, he will be receiving dividends, if any, declared by the Company in respect of Shares held by him. He is also related to some of the Directors of the Company.

III. OTHER INFORMATION :

- (1) **Reasons of loss or inadequate profits :-**

The Company is making reasonable profits. The minimum remuneration clause is only to cover a situation of inadequate profits to cover the proposed remuneration.

(2) Steps taken or proposed to be taken for improvement :-

There is continuous efforts to improve the performance of the Company.

(3) Expected increase in productivity and profits in measurable terms :-

There is adequate production capacity. Since competition is becoming more and more severe, steps are being taken to improve the cost efficiency.

Your Directors recommends the proposed resolution for your approval.

None of the Directors of the Company except Shri K.L. Bhatia himself and Smt. Sushma Bhatia being related to him may be considered or interested in the resolution.

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

Item No. 6

Shri Kapil Bhatia has been associated with the Company since last twenty three years and has rich experience in handling the financial as well as marketing operations of the Company. He streamlined the whole support organization, made it responsive, cost effective, profitable and scalable. The Board of the Directors of the Company at its meeting held on 30th May, 2009 had re-appointed him as Managing Director of the Company with effect from 1st April, 2009 in accordance with the provisions of the Companies Act, 1956. The Shareholders in their Twenty Ninth Annual General Meeting held on 31st July 2009 had approved the appointment and remuneration payable to Shri Kapil Bhatia.

It is now proposed to increase the remuneration, payable to Shri Kapil Bhatia, Managing Director after obtaining shareholders approval for remaining term of his appointment with effect from 1st April 2010. The enhanced remuneration payable to Shri Kapil Bhatia is within the permissible limits specified in Schedule XIII of the Companies Act, 1956, which has been duly approved by remuneration committee and Board of Directors in their meetings held on 12.08.2010 respectively.. The management believes that the proposed remuneration is comparable with respect to industry, size of the Company, profile of the position and person and is commensurate with the responsibility being shouldered in the Company and the size and extent of business operation.

INFORMATION PURSUANT TO CLAUSE B(iv) OF SECTION II OF PART II OF SCHEDULE XIII TO THE COMPANIES ACT, 1956.

I. GENERAL INFORMATION :

(1) Nature of industry :-

Manufacturer of Railway Springs, and Other Springs.

(2) Date or expected date of commencement of commercial production :-

Existing unit for more than 29 years.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :-

Not applicable.

(4) Financial performance based on given indicators:-

(Rs. in Lacs)

Financial Parameter	Years		
	2007-08	2008-09	2009-10
Turnover	2834.73	3019.72	3641.00
Net Profit (before Tax)	100.94	142.85	465.97

(5) Export performance and net foreign exchange collaborations:-

Nil

(6) Foreign investments or collaborators, if any :-

Nil

II. INFORMATION ABOUT THE APPOINTEE :

(1) Background details :-

Mr. Kapil Bhatia is MBA and having more than 23 years of industrial experience in managing the operations of Frontier Group.

(2) Past remuneration :-

Rs.15,00,000/- p.a.

(3) Recognition or awards :-

Nil

(4) Job profile and his suitability :-

Subject to the overall control, supervision, directions and instructions of the Board of Directors of the Company, he looks after the day to day management of the Company.

(5) Remuneration proposed :-

Salary plus Incentives based on performance Rs. 24,00,000/- p.a.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) :-

The proposed remuneration is in line with prevailing industry remuneration structure.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any :-

Apart from remuneration, he will be receiving dividends, if any, declared by the Company in respect of Shares held by him. He is also related to some of the Directors of the Company.

III. OTHER INFORMATION :

(1) Reasons of loss or inadequate profits :-

The Company is making reasonable profits. The minimum remuneration clause is only to cover a situation of inadequate profits to cover the proposed remuneration.

(2) Steps taken or proposed to be taken for improvement :-

There is continuous efforts to improve the performance of the Company.

(3) Expected increase in productivity and profits in measurable terms :-

There is adequate production capacity. Since competition is becoming more and more severe, steps are being taken to improve the cost efficiency.

Your Directors recommend the proposed resolution for your approval.

Save and except Shri Kapil Bhatia himself and Shri Neeraj Bhatia being related to him, none of the other Director is, in any way, concerned or interested in the proposed resolution.

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

Item No. 7

Shri Neeraj Bhatia has been associated with the Company since last twenty years and is looking for manufacturing operations of the Company. He is very strong in the area of process implementation, methodologies, management training, cost control and building organizations. He is looking after all the Manufacturing activities of the Company and other related activities. The Board of the Directors of the Company at its meeting held on 30th May, 2009 had re-appointed him as a Wholetime Director of the Company with effect from 1st April, 2009 in accordance with the provisions of the Companies Act, 1956. The Shareholders in their Twenty Ninth Annual General Meeting held on 31st July 2009

had approved the appointment and remuneration payable to Shri Neeraj Bhatia.

It is now proposed to increase the remuneration, payable to Shri Neeraj Bhatia, after obtaining shareholders approval for remaining term of his appointment with effect from 1st April 2010. The enhanced remuneration payable to Shri Neeraj Bhatia is within the permissible limits specified in Schedule XIII of the Companies Act, 1956, which has been duly approved by remuneration committee and the Board of directors in their meetings held on 12.08.2010 respectively. The management believes that the proposed remuneration is comparable with respect to industry, size of the Company, profile of the position and person and is commensurate with the responsibility being shouldered in the Company and the size and extent of business operation.

INFORMATION PURSUANT TO CLAUSE B(iv) OF SECTION II OF PART II OF SCHEDULE XIII TO THE COMPANIES ACT, 1956.

I. GENERAL INFORMATION :

(1) Nature of industry :-

Manufacturer of Railway Springs, and Other Springs.

(2) Date or expected date of commencement of commercial production :-

Existing unit for more than 29 years.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :-

Not applicable.

(4) Financial performance based on given indicators:-

Financial Parameter	(Rs. in Lacs)		
	2007-08	2008-09	2009-10
Turnover	2834.73	3019.72	3641.00
Net Profit (before Tax)	100.94	142.85	465.97

(5) Export performance and net foreign exchange collaborations:-

Nil

(6) Foreign investments or collaborators, if any :-

Nil

II. INFORMATION ABOUT THE APPOINTEE :

(1) Background details :-

Shri Neeraj Bhatia is Post Graduate in Commerce and having more than 20 years of industrial