

41st

Annual Report
— 2020-21 —



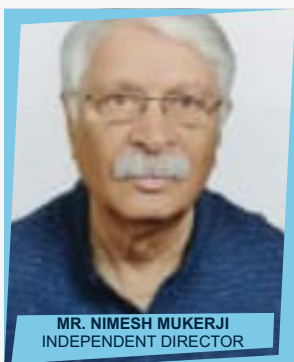
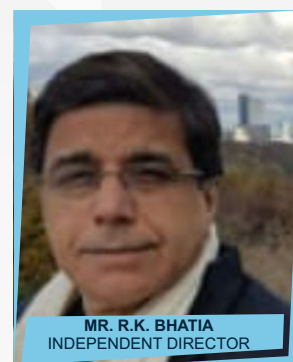
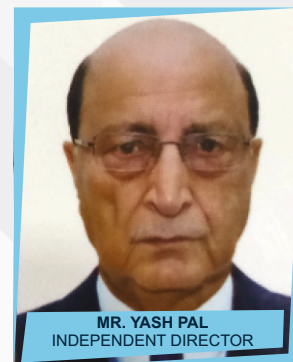
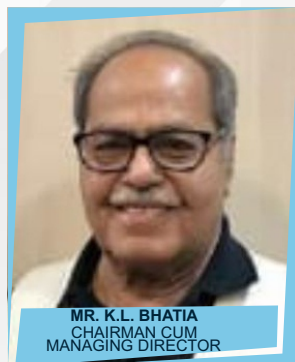
Frontier Springs Ltd.

(Largest Manufacturer of springs for LHB Coaches)

Delivering excellence 

Contributing in the country's growth...

B O A R D O F D I R E C T O R S



July' 2021



Frontier Springs Ltd.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Donation of 12 Split AC's at Ganesh Shankar Vidyarthi
Memorial Medical College Padetriatic Wing
considering third wave of Covid-19 Pandemic

कार्यालय, बालरोग विभाग, जी०एस०वी०एम० मेडिकल कालेज, कानपुर।
पत्र संख्या- 601/पीडिया/2021 दिनांक- 03/07/2021

सेवा में,
M/s Frontier Springs Ltd.,
Kanpur Dehat.

महोदय,
आपको अवगत कराना है कि आपकी प्रतिष्ठित संस्थान द्वारा इस चिकित्सा महाविद्यालय को कोविड-19 की आगामी तृतीय लहर के दृष्टिगत स्थापित किये गये पीडियाट्रिक 100 बेड्स हेतु सोनीहित/अनहित में 12 नग ए०सी० आपके प्रतिष्ठान के CSR (Corporate Social Responsibility) मद से दान के माध्यम से प्राप्त कराये गये हैं। उक्त श्रेष्ठ कार्य किये जाने के कम में यह चिकित्सा प्रशासन आपका हृदय से आभार व्यक्त करता है एवं आशा करते हैं नविष्य में भी ऐसे पुण्य कार्य में आपका सहयोग निरन्तर प्राप्त होता रहेगा।

सन्मानवाद।


(विभागाध्यक्ष)
बालरोग विभाग
मेडिकल कॉलेज, कानपुर।
जी.एस.वी.एम. मेडिकल कालेज





Frontier Springs Ltd.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Donation of Medical Equipments at Primary Health Center, Sarvankhera; Kanpur Dehat.



Office of Medical Officer Incharge P.H.C. Sarvankhera, Kanpur Dehat
Date-17-06-2021

Letter of Thanks

On the behalf of entire staff of PHC Sarvankhera I, Dr. Vishal Diwakar, Medical Officer Incharge P.H.C. Sarvankhera, Kanpur Dehat extend my special vote of thanks to FRONTIER SPRINGS LTD. Km 25/4 KALPI ROAD RANIA KANPUR DEHAT PIN - 209304 for providing us the following items under Corporate Social Responsibility(CSR) Initiatives -

S.N.	Name of item	Quantity
1	Fetal Doppler (BPL)	1
2	Infrared Thermometer(Microtek)	5
3	Cardiac Monitor(BPL)	2
4	Suction Machine(S-Hub)	2
5	Weighing Machine(S-Hub)	2
6	Mycure Digital Personal Scale SUGP03	2
7	Height Meter(S-Hub)	2
8	Warmer(PAED) (S-Hub)	1
9	Pulse Oximeter (Dr Morepen)	3

These items will definitely prove to be of great help in our efforts of preparedness in combating this Covid-19 pandemic as well as emergency situations for the residents of sarvankhera.

Your this gesture of kindness and benevolence will always be remembered.

(Dr Vishal Diwakar)
Medical Officer Incharge
P.H.C. Sarvankhera

FRONTIER SPRINGS LIMITED

ANNUAL REPORT 2020-2021

BOARD OF DIRECTORS

Shri Kundan Lal Bhatia, *Chairman Cum Managing Director*
Shri Kapil Bhatia, *Managing Director*
Shri Neeraj Bhatia, *Whole Time Director*
Smt Mamta Bhatia, *Whole Time Director*
Smt Manju Bhatia, *Whole Time Director*
Shri Sarabjit Singh, *Independent Director*
Shri Yashpal, *Independent Director*
Shri R. K. Bhatia, *Independent Director*
Shri Nimesh Mukerji, *Independent Director*
Shri K.P. Somkuwar, *Independent Director*

COMPANY SECRETARY & COMPLIANCE OFFICER

Shri Dhruv Bhasin

AUDITORS

M/s. Sanjeevani Raizada & Co.
Chartered Accountants
Office No. 229, 2nd Floor,
63/2, City Centre,
The Mall,
Kanpur - 208 004

BANKERS

State Bank of India

REGISTRAR AND SHARE TRANSFER AGENT

M/s. Alankit Assignment Limited
Alankit House,
1E/13, Jhandewalan Extension
New Delhi-110 020

REGISTERED OFFICE

Km 25/4, Kalpi Road,
Rania, Kanpur-Dehat 209 304 (U.P.)

CORPORATE OFFICE

E-14, Panki Industrial Area,
Site-1, Kanpur-208 022 (U.P.)

PLANTS

- i) Km 25/4, Kalpi Road, Rania,
Kanpur Dehat - 209 304 (U.P.)
(Springs & Forging Unit)
- ii) Rampur Ghat Road, Village Kunja,
Tehsil Poanta Sahib, Distt. Sirmour
H. P.
(Springs & Roofing Unit)

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Forty First Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2021.

FINANCIAL RESULTS

The summarized financial results of the Company for the year ended 31st March, 2021 as compared to the preceding year are as under:

Particulars	2020-21	2019-20
Income from Operations/Turnover	7793.60	10077.73
Profit Before Interest Depreciation and Tax	1370.03	2069.59
Interest	49.45	76.09
Depreciation	266.84	239.37
Profit Before Tax	1053.74	1754.13
Income Tax : Current year Tax	249.83	309.90
Income Tax : Previous Tax	10.25	0.00
Deferred Tax	14.03	42.27
Net Profit	779.63	1401.96
Other Comprehensive Income (after Tax)	42.73	(1.33)
Total Comprehensive Income for the period	822.36	1400.63
Proposed Dividend	-	43.32
Dividend Distribution Tax (F.Y 2018-19)	-	1.36
Balance available for appropriation	822.36	1355.95
Surplus B/F from Previous Year	4736.27	3380.32
Transfer to General Reserve	0.00	0.00
Surplus carried to Balance sheet	5558.63	4736.27

REVIEW OF OPERATIONS

The financial statements for the year ended 31st March, 2021 forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

The total income of the company was 7793.60 lakhs. During the year under review, the Company has earned at net profit of 779.63 lacs. During the year under review, the performance of the company was adversely affected due to nationwide lockdown imposed by central and state government(s) to combat COVID-19 pandemic. Accordingly, the financial performance of the company for the year ended March 31, 2021 is not comparable to the previous year

SHARE CAPITAL

As on 31.03.2021, your Company has total paid up share Capital of Rs 3,93,85,110 divided into 3938511 Equity shares of Rs. 10/- each.

DIVIDEND

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

EXPANSION

- Your company will be installing a Six Ton Hammer in the current financial year as a result of which we will be able to forge new products which was not possible due to capacity constraints. The installation of this hammer will increase the turnover and profitability of the company in the years to come.
- Your company has signed a Memorandum of Understanding ('MOU') with Contitech India Private Limited for Air Springs. Contitech India Pvt Ltd will supply technical know-how, specifications and rubber bellow for Air Springs. Your Company will in turn will manufacture the metal part and supply to the Indian Railways. Air Springs have low natural frequency and have constant leveling function which maintains the vehicle body at a consistent height irrespective of whether it is full of passengers or not. Orders for Air-Springs will add to the profitability and turnover of your company.
- The orders for manufacturing of Springs/ Forging for Linke- Hofmann Busch (LHB) coaches and Electric Locomotives Springs such as WAP-7 and WAG-9 which were being imported till date by Indian Railways continues manifold.
- The demand for products developed by the Forging Unit namely Anti Roll Bar, Anti Roll Bar Bracket and Roll Link used in the

manufacturing of LHB Coaches continues to rise. The orders in the pipeline are good.

SUBSIDIARY COMPANY / ASSOCIATE / JOINT VENTURE COMPANY

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

DIRECTORS

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company Smt Mamta Bhatia (DIN: 003480368), Director of the Company retires from the Board by rotation, at the ensuing Annual General Meeting of the Company and being eligible she has offered herself for re-appointment.

KEY MANAGERIAL PERSONNEL

As per the provisions of Section 203 of the Companies Act, 2013 the following persons were designated as Key Managerial Personnel and there had been no change in KMP during the year under review

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

DECLARATION FROM INDEPENDENT DIRECTORS

The company had received the declarations u/s 149(7) of the Companies Act, 2013 from all Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and they have also confirmed that they are not aware of any circumstance or situation which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered

themselves with the data bank maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, all the independent directors on the Board of the Company possesses requisite qualifications and attributes of integrity, expertise and experience.

MEETINGS OF THE BOARD

Four meetings of the Board of Directors were held during the year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

BOARD EVALUATION

The Board of Directors at its meeting held on 13th February, 2021 has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to provisions of the Act. Performance Evaluation of Independent Directors was done by the entire board, excluding the director being evaluated. The Evaluation Process was conducted through a structured questionnaire prepared after taking into consideration the various aspects laid down under the Nomination and Remuneration Policy of the Company. The Board of Directors expressed satisfaction with the evaluation process.

In a Separate meeting of Independent Directors held on 13th February, 2021, performance of non-independent directors, the Chairman of the Company and the Board as a whole was evaluated taking into account the views of Executive and Non-Executive Directors.

CORPORATE GOVERNANCE

The new Companies Act, 2013 have strengthened the governance regime in the country. Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. The business conduct can be ethical only when it rests on the six core values of Customer Value, Ownership Mindset, Respect, Integrity, One Team and Excellence. In line with the requirements of these core values and new law, the Company

through its Board and Committees endeavors to strike and deliver the highest governing standards for the benefits of its stakeholders.

The report on Corporate Governance as stipulated under Listing Regulations is annexed to the Annual Report as Annexure “A” and forms part of this report.

The Certificates certifying that

(1) the Company has complied with the requirements of Corporate Governance in terms of SEBI (LODR) Regulations, 2015

(2) none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing directors of Companies by SEBI/MCA

are attached and forms part of this report

IMPACT OF COVID-19 PANDEMIC

The COVID-19 outbreak changed the way we looked at the way a year back. The pandemic had a significant socio-economic impact on every business, altering the ways of interaction, service and life both socially and in business. Your Company remained resilient and focused to deliver its best to its customer to a great extent.

During the year the entire world witnessed a most unexpected set of events due to the continuing waves of Covid-19 which has resulted in huge loss of lives globally. Despite that the most inspiring and encouraging news was that the world stood up to the challenge and came back strongly. In recent months India has seen a resurgence of a strong second wave stretching the countries meager health resources to the brim. The good news was that efforts to come up with a vaccine worked and the country launched a massive vaccination drive in the middle of January with the new vaccine manufacturing and delivering plan laid out we are sure that the country would be well equipped to face the challenges ahead

Your Company had taken all steps necessary for the safety and welfare of the employees and the management remains committed to keep that as a top priority. Sanitization tunnel and thermal scanning was made compulsory for all the employees and visitors in the premises of the Company. Frequent hand washing and maintaining six feet distance was taken due care, Face masks were provided to each individual in the company.

COMPANYS’ POLICY ON DIRECTORS’ APPOINTMENT AND REMUNERATION

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

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

The Nomination & Remuneration Policy of the Company is available on the website of the Company at the link

<http://frontiersprings.co.in/downloads/Nomination%20and%20Remuneration%20Policy.pdf>

There has been no change in the policy during the year under review. We affirm that the remuneration paid to the Directors is as per the terms laid out in the Policy.

AUDITORS AND AUDITORS’ REPORT

(1) STATUTORY AUDITORS

M/s. Sanjeevani Raizada & Co. (FRN:021960) Chartered Accountants, were appointed as Statutory Auditors of your Company for a period of five years in the 37th Annual General Meeting of the Company held on 28.09.2017 who shall hold office till conclusion of the 42nd Annual General Meeting to be held in the year 2022.

Their appointment was subject to ratification by the members at every Annual General Meeting to be held thereafter during their tenure of office. However, pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act 2017, the requirement of seeking ratification of the Members for the appointment of Statutory Auditors has been withdrawn. The Auditors have confirmed that

they are not disqualified from continuing as Statutory Auditors of the Company.

There was no qualification, reservation or adverse remark made by the Auditors in their report.

(2) COST AUDITORS

Pursuant to the Rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148 (1) of the Companies Act, 2013 in respect of its products and accordingly such accounts and records are made and maintained M/s. R.M Bansal & Co., Cost Accountants (Firm Regn. No.: 000022), have been appointed as Cost Auditors of the Company to conduct the audit of the Cost Accounts of the Company, for the financial year 2021-22. As required under the Companies Act, 2013, the resolutions seeking Members' ratification for the remuneration payable to Cost Auditors forms part of the Notice convening the Annual General Meeting. The cost audit report for the financial year 2020-21 will be filed within stipulated time.

(3) SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s P. Manghwani & Associates, Practicing Company Secretary as Secretarial Auditor of the Company for the year 2020-21 The Secretarial Audit Report for the year ended 31st March, 2021 is annexed herewith as 'Annexure-B' to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

(4) INTERNAL AUDITORS

Pursuant to provisions of Section 138 read with Rule 13 of Companies (Accounts) Rules 2014, your Company engaged the services of M/s J Chandra & Associates, Chartered Accountants, Kanpur, to conduct the Internal Audit of the functions and activities of the Company for the Financial Year 2020-21. The Internal Audit Report is placed before the Audit Committee of the Company, at regular intervals.

ANNUAL RETURN

As per the requirement of Section 134(3)(a)

read with Section 92(3) of the Companies Act, 2013, the Annual Return for the year 2020-21 has been placed on the website of the Company. The web link of the same is http://frontiersprings.co.in/downloads/MGT-%209_20-21.pdf

REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and Rules framed there under.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

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

Information as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo for the financial year 2020-21 is annexed as Annexure 'C' which forms part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013 the Board of Directors, to the best of their knowledge and ability in respect of the financial year ended on 31st March, 2021 confirm that:

- 1) in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- 2) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- 3) they have 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;

4) they have prepared the Annual Accounts of the Company on a going concern basis.

5) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

6) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY

In terms of section 135 and Schedule VII of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Rules 2014. The Board of Directors of your company have constituted a CSR committee. The details of which are given in Corporate Governance Report. CSR Committee of the Board has developed a CSR policy which can be accessed on http://frontiersprings.co.in/downloads/FSL_Corporate%20Social%20Responsibility%20Policy-.pdf

Annual Report on CSR as required under Rule 8(1) of the Companies (Corporate Social Responsibility) Rules, 2014 is annexed with this report as Annexure-D

DEPOSITS

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

The Company did not accept any unsecured loans from Directors during the year.

PARTICULARS OF EMPLOYEES

The disclosure required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as Annexure-'E' and forms an integral part of this report. The information showing names and other particulars of employees as per Rule 5(2) and 5(3) of the aforesaid rules forms part of this report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS BY THE COMPANY

Your Company has not given any loans and guarantees or provided security attracting provisions of Section 186 of the Companies Act, 2013. However the details of investments made are provided in the Note No.2 of the Notes to the Financial Statements for the year ended 31st March, 2021

LISTING

The Equity Shares of Company continued to be listed at BSE Limited and the Annual Listing has been paid up-to date.

INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The Company has in place internal financial control systems, commensurate with the size of the Company and the nature of its business, with reference to financial statements. The Audit Committee of the Board of Directors regularly reviews the adequacy and effectiveness of Internal Control Systems and suggests improvement to strengthen them.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

COMPOSITION OF AUDIT COMMITTEE, VIGIL MECHANISM/WHISTLE BLOWER POLICY & RISK MANAGEMENT

The composition of Audit Committee is in line with the provisions of Section 177 of the Act read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015. The Audit Committee comprises of five members and all members are Independent Directors. The Company Secretary is the Secretary of the Committee. All transactions with related parties are on arms' length basis. During the year, there are no instances where the Board had not accepted the recommendations of the Audit Committee. The Company has in place a vigil mechanism for Directors and Employees, to report genuine concerns about any wrongful conduct with respect to the Company or its business or affairs. This policy covers malpractices, misuse or abuse of authority, fraud, violation of the Company's policies or rules, manipulations, negligence causing danger