

**PRECISION
ENGINEERING**

 **Frontier Springs Ltd.**
An ISO 14001:2015 Certified Company

*for safer
rail journeys*



ANNUAL REPORT
2022-23

FRONTIER SPRINGS LIMITED

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About the report

Welcome to the Annual Report of Frontier Springs Limited! As a company that operates in the niche business of manufacturing components for the rail transport system, we consider it our responsibility to provide our stakeholders a comprehensive overview of our dynamic operating landscape and corresponding performance.

The Report is part of our commitment towards transparent and holistic stakeholder communications. Our aim is to provide our stakeholders a concise coverage of our business and its performance during the year, while also shedding light on future prospects.

The report contains information, data and disclosures that pertain to the period of April 1, 2022 to March 31, 2023, unless stated otherwise. We will continue to publish our Annual Report year-on-year with information that is concise and comparable over a period of time, thus enabling our stakeholders to effectively analyse our sustained performance over.

As Those Charged With Governance (TCWG), our Board of Directors has evaluated the contents presented in the report and assured its integrity to the best of their knowledge.

FINANCIAL HIGHLIGHT

(In ₹ lakhs)

10,735.56

REVENUE FROM OPERATIONS

1,330.87

EBITDA

724.05

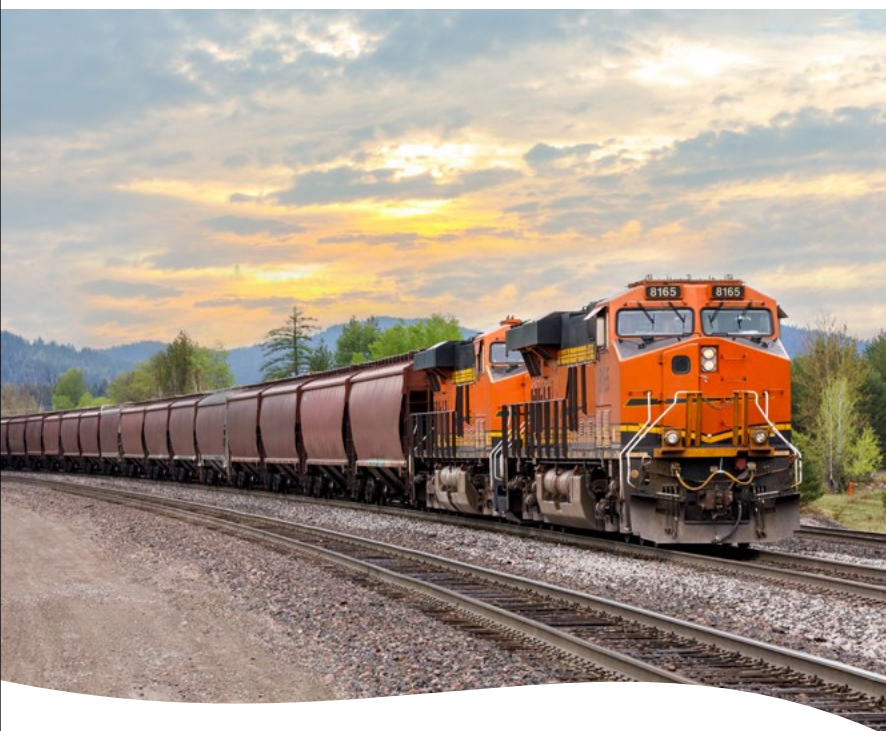
PROFIT AFTER TAX

Forward-looking statement

This document contains statements about the expected future events, financial and operating results of Frontier Springs Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the report.

PRECISION ENGINEERING for *safer Rail Journeys*

Rail journeys are the timeless threads that bridge distances and connect us to our loved ones. Beyond their role as conduits for us, they form the very infrastructure of commerce, transporting goods across cities and states.



In alignment with the adage, 'The journey is more important than the destination,' our mission is to enhance journey safety through the precision manufacturing of coil springs for the Indian Railways and other clients. With meticulous attention to detail, an innate understanding of the intricate mechanics that power rail journeys and over 4 decades of expertise, we create components that seamlessly integrate into rail systems, bolstering performance and passenger security. Our commitment to precision resounds in each product, ensuring every rail expedition upholds the pinnacle of quality, reinforcing customer trust and elevating the overall rail travel experience.

On the back of our steadfast commitment and perseverance, Frontier Springs stands today as a testament to our unwavering dedication to quality, reliability and safety.

About Frontier Springs

ESTABLISHED IN 1981, FRONTIER SPRINGS LIMITED (FRONTIER SPRINGS) EMBARKED ON ITS JOURNEY AS A DISTINGUISHED MANUFACTURER, INITIALLY CRAFTING LEAF SPRINGS AND LAMINATED BEARING SPRINGS TAILORED FOR AUTOMOBILES AND RAILWAYS. AS THE RAILWAYS LANDSCAPE UNDERWENT A TRANSFORMATION, WE EVOLVED IN TANDEM TO ACCOMMODATE THE HIGH DEMAND FOR HOT COILED COMPRESSION SPRINGS AND FORGING FOR WAGONS, RAILWAYS, CARRIAGES AND LOCOMOTIVES.

We have two state-of-the-art manufacturing facilities located in Kanpur, Uttar Pradesh and Poanta Sahib, Himachal Pradesh. Across our journey of over 4 decades, our portfolio has diversified significantly to include forging items from 100 gm to 20 kg. A dedicated Spring division caters adeptly to the discerning requirements of both domestic and international heavy engineering sectors. Leveraging our success and expertise, we recently forayed into the production of Air Springs, a testament to our expanding product horizons.

Our aim is to manufacture superior-quality, cost-efficient springs. We use innovative manufacturing processes and modern technology to ensure our products are delivered swiftly with excellent quality. Our unwavering dedication to safety, quality and reliability has nurtured enduring partnerships with our esteemed clients.



40+
years

OF EXPERIENCE AND EXPERTISE

186

SKILLED EMPLOYEES

22+

CUSTOMERS

2

MANUFACTURING FACILITIES

**A fully
equipped
laboratory**

**ISO
14001:2015**

CERTIFIED

**IRIS
Certification®**

RECEIVED FOR OUR MANAGEMENT SYSTEM

About Frontier Springs

Humble beginnings to high ambitions

What Frontier Springs is today, began as a family business that manufactured engineering components and ran a truck repair workshop.

- In 1968, we began making Leaf Springs for trucks and gradually started building partnerships with customers through our distribution network in Uttar Pradesh, Madhya Pradesh and Bihar.
- In 1981, Frontier Springs Limited was incorporated. We started providing services to state transport corporation businesses such as MSRTC and GSRTC.
- We enjoyed a monopoly in our business for several years. However, both Maharashtra and Gujarat decided to buy the springs from domestic producers since they were state transport corporations. As competition increased, we knew we had to diversify.
- We started providing laminated bearings to the railways. As railways evolved, so did we. We started manufacturing Coil Springs for railways.
- In 1991, we set up two plants in Kanpur for Coil Springs and Leaf Springs.
- Coil Springs started gaining a lot of demand, with the product being used in passenger coaches as well. To meet the increasing demand, we set up another manufacturing unit in Himachal Pradesh.
- By 2011, we forayed into manufacturing forgings for railways

Humble beginnings to high ambitions



Springs division

We are a leading manufacturer of hot coiled springs for Indian Railways, heavy engineering industries and OEMs in India and abroad.



Forging division

We set up a forging plant in Kanpur and started supplying train parts.



Air Spring division

We manufacture Air Spring suspension system for LHB coaches.

Read more about our businesses and products on page 06



Proud milestones

With hard work and a strong commitment to being the best, we have thrived in this specialised field and reached many important goals:

- For the last 30 years, we are registered with RDSO (Research Designs & Standards Organization) for the supply of springs and other components to Indian Railways. We have developed a large number of products as per the latest specification of the RDSO.
- Our springs were used on the fastest train in India - Vande Bharat Express.
- We are certified by the International Rail Industry Standard (IRIS), which enables us to directly export our products to other countries.

Esteemed clientele

- Chittaranjan Locomotive Works
- Banaras Locomotive Works
- Frontier Alloy Steels Ltd
- Patiala Locomotive Works



Business divisions and products

Business divisions



Springs division

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

At Frontier Springs, we make different kinds of Coil Springs to use space better, reduce tiredness and weight. These springs come in various sizes from 10 mm to 65 mm wire thickness, with a maximum height of 1,000 mm.

We create Coil Springs with different load rates – some that can change and some that stay the same. They are made from strong chrome molly and chrome silicon steel rods that are carefully checked for cracks and coated with epoxy powder. This helps us make the most of space, reduce wear and tear, and make the products lighter.



Forging division

In 2011, we forayed into the forging business by setting up a manufacturing plant in Kanpur. We began manufacturing train parts such as Anti Roll Bar Assembly, Screw Couplings, Draft Gear Assembly and BSS Hangers.

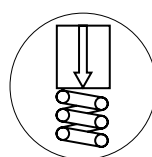
We have big hammers of 1 tonne, 3 tonnes and 6 tonnes to shape metal from as light as 100 grams to as heavy as 80 kg. We also use special ovens to make the metal strong, and machines to shape and cut parts, all in our own workshop.



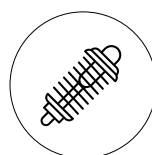
Air Spring division

To enhance our business and service for the Indian Railways, we now create Air Spring suspension systems for LHB coaches. We have signed an MoU with Contitech Germany to supply Air Springs to Indian Railways. We have supplied 70 sets of Air Springs of 160 KN to MCF Rae Bareilly and RCF Kapurthala. Through this MoU, we expect our turnover to increase significantly.

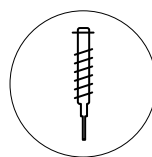
Products



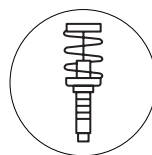
Air Springs for LHB coaches



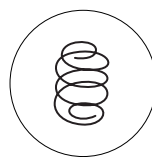
Suspension Coil Springs for freight stock



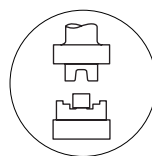
Suspension Coil Springs for coaching stock



Suspension Coil Springs for diesel and electrical locomotives

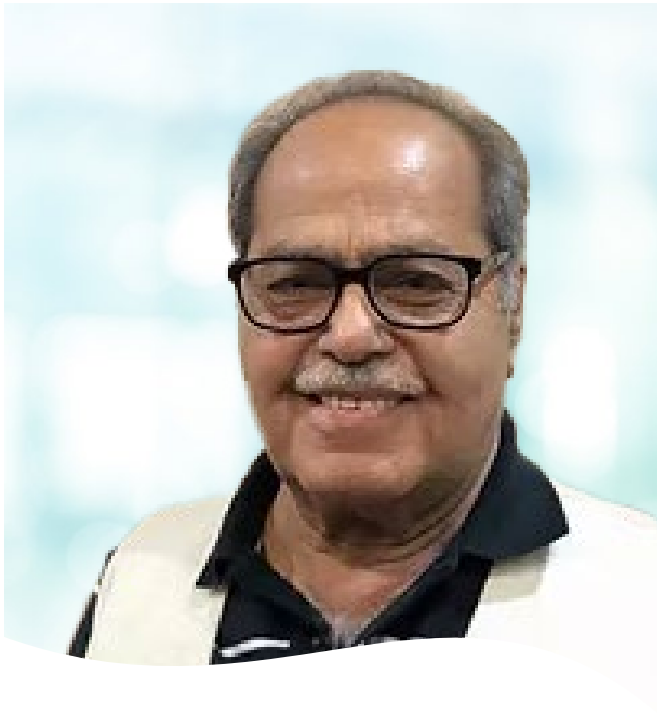


TMCLH and VLH Coil Springs for the power sector



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

Letter to Shareholders



DEAR SHAREHOLDERS,

It is with great pleasure that I present to you our Annual Report. This significant report reflects our commitment to transparency and governance, and our aim to foster a stronger connection with our esteemed shareholders.

As we navigate the complex and dynamic business landscape, it is imperative that we foster a culture of transparent and honest communication. Through this report, we aim to provide you with insights into not only our successes but also the challenges we have encountered and the strategies we are implementing to overcome them.

What began as a humble business in a small workshop has today evolved into one of the leading suppliers of springs to the Indian Railways and other sectors. Our story is one of overcoming challenges, learning and evolving with the changing landscape and I would like to take you through it.

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Our role in the wagon industry, where demand is exceeding the cumulative capacity of manufacturers, is pivotal. With our products finding their place within these wagons, the opportunities are abundant.

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The rapidly evolving operating environment

Amid a post-Covid global resurgence, the Russia-Ukraine conflict disrupted trade and raised energy prices. Inflation surged worldwide, prompting central banks to raise rates, dampening global growth for 2023.

Conversely, India thrived with 7.2% GDP growth. Global commodity price spikes led to rising inflation (7.79% peak), surpassing RBI's target. RBI responded firmly, raising the repo rate six times from 4% to 6.5%. With a growing working-age population, a large domestic market, a boost to infrastructure development and the advent of digitisation, India is well-positioned to be the fastest-growing large economy in the world.

The burgeoning Indian Railways

The Indian railways, which is our primary customer and a significant contributor to the Indian economy, registered record revenue figures of ₹ 2.40 lakh crore for FY2023, reflecting a jump of nearly 25% over the previous year. The Railways also invested heavily in new infrastructure such as tracks, locomotives and coaches during the year. It also launched a number of new initiatives such as the Vande Bharat Express and the Gatimaan Express.

The Ministry of Railways invested ₹1 lakh crore in augmenting the capacity of the network. Thus, FY2023 witnessed the highest-ever commissioning of new lines and doubling/multi-tracking of 5,243 km. Additionally, the higher investments in DFC and Mumbai-Ahmedabad bullet trains have ensured rapid progress in wagon procurement. In the Union Budget 2022-23, the railways was allocated ₹1.4 trillion. The funds will be spent on building railway tracks, wagons, trains, electrification, signalling and developing facilities at stations while focusing on safety.