



**SUDHINDRA JAIN & CO.**  
Chartered Accountants  
113/7-A, Swaroop Nagar, Kanpur-208002 Uttar Pradesh  
E-Mail : sudhindrajainco@gmail.com

## **INDEPENDENT AUDITORS' REPORT**

**To**  
**The Members,**  
**FRONTIER ALLOY STEELS LIMITED,**  
**Kanpur**

### **Report on the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying Standalone financial statements of **M/S.FRONTIER ALLOY STEELS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss Account and Cash Flow Statement for the year then ended, notes to the financial statements, a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, read with notes to the accounts, the financial statements give the information required by the Act 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 the Standalone Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2020;
- ii. In the case of the Standalone Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. In the case of Standalone Cash Flow Statement, of the cash flows for the year ended on that date.





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## **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## **Other matters**

Further to the continuous spreading of COVID -19 across India, the Indian Government announced a strict 21- day lockdown on March 24, 2020, which was further extended till June 30, 2020 across the India to contain the spread of the virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the audit of Poanta Sahib unit was carried out based on remote access of the data as provided the management. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.





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## **Information other than the financial statements**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

## **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.







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### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.





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## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013, we enclose in the Annexure- 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and Cash flow statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the Directors as on 31st March, 2020 and taken on record by the Board of Directors, none of the Directors is disqualified as at 31st March,2020 from being appointed as Director in terms of sub-section (2) of Section 164 of the Companies Act,2013.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of The Company and the operative effectiveness of such controls, refer to our separate report in Annexure 'B';
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,





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in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer to Note No. 25 to the financial statements;
- (ii) The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses if any, on long term contracts- Refer to Note No. 7 to the Financial Statements and further, the Company did not have any derivative contracts for which there were any material foreseeable losses;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**Place: Kanpur**

**Date : 04/09/2020**

**For: SUDHINDRA JAIN & CO.  
CHARTERED ACCOUNTANTS**

**CA PAWAN KUMAR JAIN**

**(Partner)**

**M.No. 078257**

**FRN 0001614C**







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## ANNEXURE –A TO THE INDEPENDENT AUDITOR’S REPORT

**The Annexure referred to in Independent Auditors’ Report to the members of Frontier Alloy Steels Limited on the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020, we report that:**

1.

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) As explained to us, the Company has a regular programme of physical verification of its fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2.

a) As explained to us, the stock of Inventories has been physically verified at reasonable intervals by the management.

b) In our opinion and according to the information and explanation given to us, the procedures for physical verification of Inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.

c) The Company has maintained proper records of Inventories. As explained to us, no material discrepancies were noticed on physical verification of Inventories as compared to book records.

3. As informed to us, the Company has not granted any loans, secured or unsecured to companies, firms, LLP and other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clause 3(iii) of the order is not applicable to the Company.

4. In our opinion and based on our audit procedures performed and as per information and explanation given to us, there were no transaction(s) occurred during the year, where provisions of Section 185 & 186 of the companies act, 2013 are applicable and hence provisions of para 3(iv) of the order is not applicable to the company.





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5. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit during the year under audit.

6. We have been informed that the Central Government has prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for the year under audit. We have reviewed the said records as maintained by the Company and are of the opinion that the prescribed cost records have been maintained. We have, however, not made detailed examination of the same as regards to its accuracy and completeness.

7.

a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, Goods & Service Tax, Cess and any other Statutory dues with the appropriate authorities and there are no statutory dues outstanding as on the last day of the financial year covered under audit for the period of more than six months from the date they became payable.

b) According to the records of the Company and the information and explanations given to us upon our enquiries in this regard, there are no disputed dues in respect of Income tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, VAT, Goods & Service Tax, Cess unpaid as on the last date of the financial year.

8. In our opinion and according to the information and explanation given to us, the Company has not been defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.

9. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and the term loans taken by the Company have been applied for the purpose of which they are obtained.

10. According to the information and explanation given to us, no material frauds by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. In our opinion and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.







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13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. The company is not required to be registered under Section 45-IA of Reserve Bank Of India Act, 1934.

**Place: Kanpur**

**Dated: 04/09/2020**

**For Sudhindra Jain & Co.  
Chartered Accountants**

**CA Pawan Kumar Jain  
(Partner)  
M.No. 78257  
FRN. 001614C**



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Chartered Accountants

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**Annexure - B to the Independent Auditors' Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Frontier Alloy Steels Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

## **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if







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such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting

## **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.







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## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Place: Kanpur**  
**Date: 04/09/2020**

**For SUDHINDRA JAIN & Co.**  
**Chartered Accountants**

  
**CA Pawan Kumar Jain**  
**(Partner)**

**M No.078257**  
**FRN.001614C**

# Frontier Alloy Steels Limited

## Balance Sheet as at 31st March 2020

(Amount in Rs.)

Particulars		Note No.	As At 31.03.2020	As At 31.03.2019
1		2	3	3
<b>I. EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a) Share capital	2	85,084,980.00	85,084,980.00	
(b) Reserves and surplus	3	2,005,774,082.45	1,168,782,578.76	
<b>2 Share application money pending allotment</b>				
<b>3 Non-current liabilities</b>				
(a) Long-term borrowings	4	11,406,957.38	30,285,913.67	
(b) Deferred tax liabilities (Net)	5	35,980,829.00	33,040,270.00	
(c) Other Long term liabilities	6	-	-	
(d) Long-term provisions	7	-	-	
<b>4 Current liabilities</b>				
(a) Short-term borrowings	8	113,807,105.19	38,461,986.78	
(b) Trade payables	9	350,744,109.27	187,490,019.75	
(c) Other current liabilities	9	83,509,156.16	112,143,545.07	
(d) Short-term provisions	7	355,111,846.59	226,158,446.45	
<b>TOTAL</b>			<b>3,041,419,066.04</b>	<b>1,881,447,740.48</b>
<b>II. ASSETS</b>				
<b>Non-current assets</b>				
<b>1 (a) Fixed assets</b>				
(i) Tangible assets	10	722,647,672.02	483,410,048.19	
(ii) Intangible assets	10	10,242,928.35	13,100,267.42	
(ii) Capital work-in-progress	10	33,875,627.39	15,067,309.43	
(b) Non-current investments	11	632,363,714.33	334,611,969.84	
(c) Deferred tax assets (net)		-	-	
(d) Long-term loans and advances	12	44,920,852.68	19,327,755.71	
(e) Other non-current assets	13	185,407.00	18,226,211.33	
<b>2 Current assets</b>				
(a) Current investments		-	-	
(b) Inventories	14	485,408,340.54	394,760,403.30	
(c) Trade receivables	15	566,814,398.57	325,745,839.22	
(d) Cash and Bank Balances	16	54,935,475.41	53,950,645.00	
(e) Short-term loans and advances	12	486,060,136.09	218,880,498.52	
(f) Other current assets	13	3,964,513.66	4,366,792.52	
<b>TOTAL</b>			<b>3,041,419,066.04</b>	<b>1,881,447,740.48</b>

Summary of Significant accounting policies followed by the company

1

The accompanying notes 1 to 33 are integral part of the Financial Statements

For Frontier Alloy Steels Limited

In terms of our report of date mentioned below

For Sudhinda Jain & Co.  
Chartered Accountants  
FRN : 007614C

(Pawan Kumar Jain)  
Partner  
M. No. 078257

Place : Kanpur  
Date : 04.09.2020

  
(Chetan Bhatia)  
Managing Director

  
(Pawan Kumar Agrawal)  
G.M. (Finance)

  
(Manoj Bhatia)  
Director

  
(Mallika Gupta)  
Company Secretary  
M No 37564

UDIN: 20078257AAAA BN1200

Frontier Alloy Steels Limited

Statement of Profit and Loss for the year ended 31st March 2020

(Amount in Rs.)

Particulars	Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
I. Revenue from operations	17	3,544,253,513.30	2,867,867,014.22
II. Other income	18	9,460,826.76	7,878,164.26
<b>III. Total Revenue (I + II)</b>		<b>3,553,714,340.06</b>	<b>2,875,745,178.48</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	19	1,374,512,599.85	1,139,492,714.19
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20	(35,168,844.96)	18,774,176.76
Employee benefits expense	21	334,924,998.60	261,315,339.88
Finance costs	22	12,475,063.80	11,880,312.79
Depreciation and amortization expense	10	67,278,841.83	58,013,033.41
Other expenses	23	780,847,846.00	687,396,880.80
<b>IV. Total expenses</b>		<b>2,534,870,505.12</b>	<b>2,176,872,457.83</b>
<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>1,018,843,834.94</b>	<b>698,872,720.66</b>
VI. Exceptional items		-121,231,150.35	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>1,140,074,985.29</b>	<b>698,872,720.66</b>
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax (VII- VIII)</b>		<b>1,140,074,985.29</b>	<b>698,872,720.66</b>
X Tax expense:			
(1) Current tax		288,183,308.00	188,115,144.00
(2) Deferred tax		2,940,559.00	5,479,381.00
<b>Profit (Loss) for the period from continuing operations (IX-X)</b>		<b>848,951,118.29</b>	<b>505,278,195.66</b>
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>-</b>	<b>-</b>
<b>XV Profit (Loss) for the period (XI + XIV)</b>		<b>848,951,118.29</b>	<b>505,278,195.66</b>
XVI Earnings per equity share:			
(1) Basic		99.78	59.39
(2) Diluted		99.78	59.39

Summary of Significant accounting policies followed by the company

1

The accompanying notes 1 to 33 are integral part of the Financial Statements


In terms of our report of date mentioned below


For Sudhindra Jain & Co.  
Chartered Accountants  
FRN : 001614C


(Pawan Kumar Jain)  
Partner  
M. No. 078257


Place : Kanpur  
Date : 04.09.2020

For Frontier Alloy Steels Limited

  
(Chetan Bhatia)  
Managing Director

  
(Manu Bhatia)  
Director

  
(Pawan Kumar Agrawal)  
G.M. (Finance)

  
(Mallika Gupta)  
Company Secretary  
M.No. 37564



## FRONTIER ALLOY STEELS LIMITED

Notes to Financial Statements for the year ended 31 March 2020

### 1 Summary of significant Accounting Policies followed by the Company

#### Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. While preparing these financial statements, all material aspects prescribed in accounting standards notified under section 211 (3C) [Companies (Accounting Standards) Rule, 2006, as amended] and the other relevant provisions of the Companies Act, 1956 have been complied with.

#### 1) System of Accounting

- i) The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.
- ii) Financial Statements are prepared under the historical cost convention. These costs are not adjusted to reflect the impact of changing value in the purchasing power of money.
- iii) Estimates and assumptions used in the preparation of the financial statements and disclosures are based upon management's evaluation of the relevant facts and circumstances as of the date of transaction, which may differ from the actual results at a subsequent date.
- iv) Accounting policies not specifically referred to otherwise are consistent and are in consonance with generally accepted accounting principles.

#### 2) Revenue recognition

##### a) Sales :

- i) Domestic sales are accounted for on dispatch from the point of sale.
- ii) Export sales are recognized on the date of material shipped on board and initially recorded at the relevant exchange rates prevailing on the date of transaction.

##### b) Income :

The Company recognizes income on accrual basis. However, where ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.

- i) Interest income is accrued over the period of the investment.
- ii) Dividend is accrued in the year in which it is declared whereby a right to receive is established.
- iii) Profit/loss on sale of investments is recognized on the contract date.



A handwritten signature in blue ink, appearing to be 'Chudhary', followed by a checkmark.

### 3) Fixed Assets and Depreciation :

#### (A) Tangible Assets

Tangible assets are carried at cost of acquisition, construction or at manufacturing cost, as the case may be, and include all attributable cost of bringing the assets to working conditions for its intended use, less accumulated depreciation and amortization.

#### (B) Intangible Assets

Intangible assets are stated at cost less accumulated amortization and net of impairments, if any. An intangible asset is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets having finite useful lives are amortised on a straight line basis over their estimated useful life.

#### (C) Depreciation and amortisation :

##### a) Leasehold Land

Premium on leasehold land is amortised over the period of lease.

##### b) On other Fixed Assets

Depreciation is provided on a straight line basis over the useful lives of assets, which are stated in Schedule II of the companies Act 2013.

### 4) Investments

Investments made by the Company are, generally, of a long term nature, hence diminutions in value of quoted and unquoted investments are not considered to be of a permanent nature.

### 5) Inventories

Cost of inventories have been computed to include all costs of purchases, cost of conversions and other costs incurred in bringing the inventories in their present location and conditions, except, duties and taxes subsequently recoverable from the taxing authorities.

- a) Finished Stocks of all the products and work-in-progress are valued at cost or net realizable value whichever is lower.
- b) Raw Material and components are valued at cost arrived at on First-in-first-out basis.
- c) Stores, packing material and tools are valued at cost arrived at on First-in-first-out basis.
- d) Goods in Transit are stated at actual cost incurred up to the date of Balance Sheet.



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## 6) Foreign Currency Transactions

- a) Monetary items of current assets and liabilities in foreign currency outstanding at the close of financial year are revalored at the appropriate exchange rate prevailing at the close of the year.
- b) The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates, in case of monetary assets and liabilities in foreign currency, are recognized in the statement of profit and loss.
- c) Purchases or sales in foreign currency are recognized in rupee equivalent prevailing on the date of material unshipped/ shipped on board respectively.

## 7) Employee Benefits

### a) Leave Encashment

Privilege Leave Entitlements are recognized as a liability, in the calendar year of rendering of service, as per the rules of service.

### b) Gratuity

Gratuity is recognized for all employees irrespective of their duration of service and computed as per actuarial valuation prescribed as per the provisions of AS-15 issued by the Institute of Chartered Accountants of India.

In this regard, the Company has entered into with Group Gratuity Scheme policy of Life Corporation of India and has duly discharged it's Gratuity liability as per demand letter issued by LIC as per actuarial valuation prescribed as per the provisions of AS-15 issued by the Institute of Chartered Accountants of India.

### c) Provident Fund/ Family pension scheme

The Company's contribution to Provident Fund and Family Pension Fund is charged to revenue.

## 8) Taxation

- a) Provision for tax is made for the current accounting period (reporting period) on the basis of the taxable profits computed in accordance with the Income Tax Act, 1961.
- b) Deferred Tax resulting from timing difference between book profits and taxable profits are accounted for to the extent deferred tax assets and liabilities are expected to crystalize with reasonable certainty. However, in case of deferred tax assets, representing unabsorbed depreciation or carried forward losses are recognized, if and only if there is virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realized.



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## 9) Provisions and Contingent Liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

## 10) Corporate Social Responsibility

The Company has sincerely adhered it's social responsibility and in this endeavor has made the following contribution during the previous year:

Sr. No	Project / Activities	Sector (Payment made to)	Amount Spent (Rs)
1	Bharat Ke veer Fund	Government	84,571.00
2	Awareness Program for Sanitation	NGO- Bhawan Welfare Trust	2,200.00
3	Vocational training for Sitching	Rajaram & sons	7,400.00
4	Education	Shri Bankhandeshwar Mahadev Mandir Trust	100,000.00
5	Water Cooler	Government	37,000.00
6	Renovation of School and Subsidized educaion	Sewa Samapran Sansthan	2,302,960.00
7	Distribution of stationery	NGO- Bhawan Welfare Trust	67,555.00
8	School Fund and Education	The Bombay Suburban Education school	150,000.00
9	Construction and Day to Day running of School for underprivileged students	Shati Sewa Dal Inter-college	1,241,662.00
10	Plantation of Trees	Kanpur Parivartan Forum	340,000.00
11	For construction of Library	JCI kanpur	250,000.00
12	Revamping of school for Vedic Classes	Chinmaya Mission tapovan trust	1,100,000.00
13	Distribution of Ration under Covid-19	Sajal Trader-	158738.36
14	Distribution of Ration under Covid-19	Yuva bannu biradari	100,000.00
15	HP Covid solidarity fund	Government	700,000.00
16	Sadbhavna Sahyog samiti	Government	400,000.00
		<b>Total</b>	<b>7,042,086.36</b>

## 11) Dividend

The management has proposed a Dividend of Rs.1.90 per share for a total sum of Rs.1,61,66,147.00 in respect to the financial year under review, subject to the approval of the shareholders.



## 12) GST

As the company is in the manufacture of Railway parts covered under chapter heading 8607 of the GST rate schedule for goods, on which the prescribed rate of GST was 5% with no refund of Accumulated input credit, therefore, an amount of Rs.12,12,31,150.35 was claimed as GST expenses in the financial year ending March 2018 & March 2019.

However, with the statutory change of GST rate on Railway Parts & Components under chapter heading 8607 from 5% to 12% w.e.f. 01<sup>st</sup> Oct 2019, the company is now in position to utilize the lapsed credit of Rs. 12,12,31,150.35 as above with its output tax liability and therefore the expense claimed in the past has been reversed in the financial accounts and shown as exceptional transaction in Profit or Loss Statement in the current financial year.

## 13) Leases

During the year under review the company has given certain plant & machineries on operating lease basis for a period of 24 months, necessary disclosures are produced as below in this regard in accordance with AS-19 issued by Institute of Chartered Accountants of India.

Sr. No	Particulars	FY 19-20	FY 18-19
1.	Gross Carrying amount of Plant & Machineries	5,53,46,107.40	N.A
2.	Accumulated depreciation on leased Plant & Machineries	19,61,604.01	N.A
3.	Depreciation recognized in the statement of profit & loss for the period	19,61,604.01	N.A
4.	Impairment losses recognized/reversed in the statement of profit & loss	0.00	N.A
5.	Future minimum lease payments for operating leases:		
	-In the aggregate	2,20,58,000.00	N.A
	-Not later than one Year	1,36,56,000.00	N.A
	-Later than one Year but not later than five years	84,02,000.00	N.A
	-Later than five years	0.00	N.A
6.	Contingent Rents recognized in the statement of profit & Loss	0.00	N.A
7.	General description of the lessor's significant leasing arrangements :		
	Nature of Lease :	Operating Lease	
	Period of Lease :	24 months	
	Title and ownership	Always in name of lessor	
	Repair, insurance, loss or damage	In account of lessee during lease tenancy.	
8.	Accounting policy adopted in respect of initial direct costs.	No initial direct cost incurred in this transaction.	



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## 2 Share Capital

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
<b>Authorised</b>				
6% preference shares of Rs.100/- each	15,000	1,500,000	15,000	1,500,000
Equity Shares of Rs.10/- each	11,850,000	118,500,000	11,850,000	118,500,000
<b>Issued</b>				
6% preference shares of Rs.100/- each	-	-	-	-
Equity Shares of Rs.10/- each	8,508,498	85,084,980	8,508,498	85,084,980
<b>Subscribed &amp; Paid up</b>				
6% preference shares of Rs.100/- each	-	-	-	-
Equity Shares of Rs.10/- each fully paid	8,508,498	85,084,980	8,508,498	85,084,980
<b>Total</b>	<b>8,508,498</b>	<b>85,084,980.00</b>	<b>8,508,498</b>	<b>85,084,980.00</b>

## a. Reconciliation of Shares Outstanding at the beginning and at the end of the year

## Preference Shares

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	-	-	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	-	-	-	-

## Equity Shares

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	8,508,498	85,084,980.00	8,508,498	85,084,980.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	8,508,498	85,084,980.00	8,508,498	85,084,980.00

## b. Terms/rights attached to shares

The Company has two class of shares, one 6% non-cumulative preference shares redeemable after 15 years and the other equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any proposed by the Board of directors and approved by the shareholders in the Annual General Meeting is paid in Indian Rupees. In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

## c. Details of Shareholders holding more than 5% Shares in the Company

## Preference Shares

Name of Shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
	0	0	0	0
	0	0	0	0

## Equity Shares

Name of Shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Charan Das Bhatia	366135	4.30	366135	4.30
Kundan Lal Bhatia	729525	8.57	729525	8.57
Subhash Chand Bhatia	765250	8.99	765250	8.99
Chetan Bhatia	788040	9.26	788040	9.26
Chandan Bhatia	784240	9.22	784240	9.22
Manu Bhatia	808168	9.50	808168	9.50
Sushma Bhatia	512830	6.03	512830	6.03
Priya Bhatia	823425	9.68	823425	9.68
Sonia Bhatia	766925	9.01	766925	9.01
Preeti Bhatia	819325	9.63	819325	9.63



Chetan Bhatia

MS

## 3 Reserves and Surplus

Particulars	As at 31 March 2020	As at 31 March 2019
<b>a. Capital Reserves</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
<b>b. Securities Premium Account</b>		
Opening Balance	12,192,000.00	12,192,000.00
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
Premium on Redemption of Debentures	-	-
For Issuing Bonus Shares	-	-
Closing Balance	12,192,000.00	12,192,000.00
<b>c. Central Capital Subsidy</b>		
Opening Balance	3,000,000.00	3,000,000.00
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	3,000,000.00	3,000,000.00
<b>d. Investment Allowance Reserve</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
<b>e. Surplus</b>		
Opening balance	1,153,590,578.76	652,244,736.10
(+) Net Profit/(Net Loss) For the current year	848,951,118.29	505,278,195.66
(+) Transfer from Reserves	-	-
(+) Transfer from Provision for Doubtful debt	-	9,000,000.00
(-) Dividends	10,210,197.60	10,210,198.00
(-) Tax on Dividends	2,098,737.00	2,098,737.00
(-) Income Tax for Earlier Years	-	(23,302.00)
(-) Interim Dividends	-	-
(-) Amount Set aside for provision for Warranty Claim	(349,320.00)	646,720.00
(-) Amount Set aside for provision for Doubtfull debts	-	-
(-) Transfer to Reserves	-	-
Closing Balance	1,990,582,082.45	1,153,590,578.76
<b>Total</b>	<b>2,005,774,082.45</b>	<b>1,168,782,578.76</b>



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## 4 Long Term Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
<u>Secured</u>		
(a) Term loans		
From Bank		
ICICI Bank Ltd	4,868,120.00	7,000,000.00
(Secured By mortgage of vehicle under finance)		
Terms of Repayment- An EMI of Rs. 222958/- is payable on this loan		
Less : Amount Disclosed under the head 'Other current Liabilities'	(2,322,000.00)	(2,131,880.00)
HDFC Bank Ltd	1,082,015.20	1,769,618.50
(Secured By mortgage of vehicle under finance)		
Terms of Repayment- An EMI of Rs. 67881/- is payable on this loan		
Less : Amount Disclosed under the head 'Other current Liabilities'	(749,869.32)	(687,603.00)
Axis Bank Ltd	6,894,368.00	9,927,100.00
(Secured By mortgage of vehicle under finance)		
Terms of Repayment- An EMI of Rs. 317994/- is payable on this loan		
Less : Amount Disclosed under the head 'Other current Liabilities'	(3,302,294.00)	(3,032,732.00)
State Bank of India, Paonta Sahib	-	174,530.00
(Secured By mortgage of vehicle under finance)		
Terms of Repayment- An EMI of Rs. 26316/- is payable on this loan		
Less : Amount Disclosed under the head 'Other current Liabilities'	-	(174,530.00)
State Bank of India, Paonta Sahib	373,179.80	567,589.90
(Secured By mortgage of vehicle under finance)		
Terms of Repayment- An EMI of Rs. 19933/- is payable on this loan		
Less : Amount Disclosed under the head 'Other current Liabilities'	(212,674.00)	(192,901.00)
HDFC Bank Ltd	665,000.25	1,492,485.16
(Secured By mortgage of vehicle under finance)		
Terms of Repayment- An EMI of Rs. 76299/- is payable on this loan		
Less : Amount Disclosed under the head 'Other current Liabilities'	(665,000.25)	(827,738.91)
HDFC Bank Ltd	4,573,281.22	-
(Secured By mortgage of vehicle under finance)		
Terms of Repayment- An EMI of Rs.96428/- is payable on this loan		
Less : Amount Disclosed under the head 'Other current Liabilities'	(799,055.02)	-
HDFC Bank Ltd	1,463,431.50	
(Secured By mortgage of vehicle under finance)		
Terms of Repayment- An EMI of Rs. 47351/- is payable on this loan		
Less : Amount Disclosed under the head 'Other current Liabilities'	(461,546.00)	



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From other parties		
Kotak Mahindra Prime Limited (Secured By mortgage of vehicle under finance) Terms of Repayment- An EMI of Rs. 87575/- is payable on this loan	-	677,465.00
Less : Amount Disclosed under the head 'Other current Liabilities'	-	(677,465.00)
Kotak Mahindra Prime Limited (Secured By mortgage of vehicle under finance) Terms of Repayment- An EMI of Rs. 134926 /- is payable on this loan	133,804.00	1,661,435.00
Less : Amount Disclosed under the head 'Other current Liabilities'	(133,804.00)	(1,527,631.00)
Kotak Mahindra Prime Limited (Secured By mortgage of vehicle under finance) Terms of Repayment- An EMI of Rs. 25310/- is payable on this loan	51,290.00	336,330.00
Less : Amount Disclosed under the head 'Other current Liabilities'	(51,290.00)	(285,040.00)
Kotak Mahindra Prime Limited (Secured By mortgage of vehicle under finance) Terms of Repayment- An EMI of Rs. 33535/- is payable on this loan	67,980.00	445,620.00
Less : Amount Disclosed under the head 'Other current Liabilities'	(67,980.00)	(377,640.00)
Kotak Mahindra Prime Limited (Secured By mortgage of vehicle under finance) Terms of Repayment- An EMI of Rs. 41132/- is payable on this loan	121,634.00	582,738.00
Less : Amount Disclosed under the head 'Other current Liabilities'	(121,634.00)	(461,104.00)
Kotak Mahindra Prime Limited (Secured By mortgage of vehicle under finance) Terms of Repayment- An EMI of Rs. 47580/- is payable on this loan	323,100.00	838,630.00
Less : Amount Disclosed under the head 'Other current Liabilities'	(323,100.00)	(515,530.00)
Kotak Mahindra Prime Limited (Secured By mortgage of vehicle under finance) Terms of Repayment- An EMI of Rs. 20566/- is payable on this loan	43,906.00	275,518.00
Less : Amount Disclosed under the head 'Other current Liabilities'	(43,906.00)	(231,612.00)
Siemens Financial Services Pvt Ltd (Secured By mortgage of Equipment under finance) Terms of Repayment- An EMI of Rs. 121365/- is payable on this loan	-	2,227,290.00
Less : Amount Disclosed under the head 'Other current Liabilities'	-	(1,291,795.00)
Siemens Financial Services Pvt Ltd (Secured By mortgage of Equipment under finance) Terms of Repayment- An EMI of Rs.97092/- is payable on this loan	-	1,863,397.00
Less : Amount Disclosed under the head 'Other current Liabilities'	-	(1,024,895.00)
Siemens Financial Services Pvt Ltd (Secured By mortgage of Equipment under finance) Terms of Repayment- An EMI of Rs. 507596/- is payable on this loan	-	9,741,825.00
Less : Amount Disclosed under the head 'Other current Liabilities'	-	(5,358,137.00)
Siemens Financial Services Pvt Ltd (Secured By mortgage of Equipment under finance) Terms of Repayment- An EMI of Rs. 247691/- is payable on this loan	-	3,790,623.00
Less : Amount Disclosed under the head 'Other current Liabilities'	-	(2,636,389.00)
Siemens Financial Services Pvt Ltd (Secured By mortgage of Equipment under finance) Terms of Repayment- An EMI of Rs. 517178/- is payable on this loan	-	11,627,979.00
Less : Amount Disclosed under the head 'Other current Liabilities'	-	(5,281,039.00)
Daimler Financial Services India Pvt. Ltd. (Secured By mortgage of vehicle under finance) Terms of Repayment- An EMI of Rs. 41579/- is payable on this loan	2,001,402.02	2,288,763.58
Less : Amount Disclosed under the head 'Other current Liabilities'	(2,001,402.02)	(287,361.56)
	11,406,957.38	30,285,913.67
<b>Total</b>	<b>11,406,957.38</b>	<b>30,285,913.67</b>



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## 5 Deferred Tax Liabilities (Net)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Deferred Tax Liability</b>		
On account of timing difference in Depreciation and amortization	38,954,510.00	35,817,846.00
<b>Deferred Tax Assets</b>		
On account of timing difference in Provision for Earned Leave	1,125,858.00	985,698.00
Provision for Bonus	1,847,823.00	1,791,878.00
<b>Net Deferred Tax Liability</b>	<b>35,980,829.00</b>	<b>33,040,270.00</b>

## 6 Other Long Term Liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
	-	-
<b>Total Other Long Term Liabilities</b>	<b>-</b>	<b>-</b>

## 7 Provisions

Particulars	Long Term		Short Term	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
a) <b>Provision for employee benefits</b>				
Salary & Reimbursements			3,784,690.75	3,684,252.85
Wages Payable			1,778,771.21	3,754,519.00
Contribution to PF			1,792,590.00	1,109,306.00
Leave Encashment (funded)			4,473,370.00	3,384,949.54
Bonus			7,341,955.00	6,153,427.00
Contribution to ESI			186,609.00	227,787.00
b) <b>Others (Specify nature)</b>				
Provision for Liquidated Damages			5,638,993.00	396,695.00
Provision for SVC			4,953,663.00	-
Provision for Warranty Claim			2,537,400.00	2,886,720.00
Provision for Expenses			34,440,496.63	16,445,646.06
Provision for Income Tax			288,183,308.00	188,115,144.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>355,111,846.59</b>	<b>226,158,446.45</b>



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## 8 Short Term Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Secured</b>		
(a) Loans repayable on demand		
from ICICI Bank Limited (Cash Credit facility availed from ICICI Bank Ltd, Kanpur secured by hypothecation of stores, Raw Material, Finished Goods, Stock in Process and book debts of the Company) (The Loan is further secured by way of mortgage of Company's land and buildings situated at Rania, Plant & Machineries and first charged on all other fixed assets and personal guarantee of three directors of the Company)	53,534,201.92	29,324,599.60
from Yes Bank Limited (Over Draft facility availed from Yes Bank, Paonta Sahib, secured by pledge of Bank's own FDR/Mutual Funds)	44,370,531.79	9,137,387.18
from HDFC Bank Limited (Over Draft facility availed from HDFC Bank Limited Kanpur, secured by pledge of Mutual Funds)	675,066.48	-
from Kotak Mahindra Bank Limited (Over Draft facility availed from Kotak Mahindra Bank Limited Kanpur, secured by pledge of Mutual Funds)	15,227,305.00	-
<b>Total</b>	<b>113,807,105.19</b>	<b>38,461,986.78</b>

## 9 Other Current Liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Trade Payables *</b>		
Creditors for Raw Material & Components	255,455,797.98	131,914,450.42
Creditors for Consumable Stores	50,844,567.47	30,651,560.90
Creditors for Commission	11,285,876.06	8,496,517.08
Creditors for Transport	17,311,467.74	6,546,985.76
Creditors for Others	15,846,400.02	9,880,505.59
<b>Total</b>	<b>350,744,109.27</b>	<b>187,490,019.75</b>
<b>Other Liabilities</b>		
Creditors for Assets	10,532,317.30	9,813,511.62
Current Maturities of Long Term Borrowings (See Note 4)	11,255,554.61	27,003,023.47
Advance Received from Customers	4,273,901.60	30,306,517.60
Directors' Remuneration Payable	27,409,115.54	23,203,173.34
Donation (Bharat Ke Veer)	-	84,571.00
Staff Security	203,000.00	123,500.00
Sukanya Samridhi Yojana Payable	38,500.00	-
Unpaid Dividend	173,040.60	119,760.60
Credit balance in Current Accounts with Bank	3,174,318.25	12,627,220.06
GST Payable (On RCM)	10,435,765.00	812,025.00
Interest Accrued But Not Due on Loan A/c	127,317.26	251,924.08
TDS Payable	15,866,326.00	7,798,318.30
<b>Total</b>	<b>83,509,156.16</b>	<b>112,143,545.07</b>

\* Bifurcation in to amount due to Micro & Small enterprises is not available



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2020(Contd...)

10 Fixed Assets (tangible and intangible assets)

Fixed Assets	Gross Block					Accumulated Depreciation			Net Block			
	Balance as at 31 March 2019	Additions/ (Disposals)	Acquired through business combination	Revaluations/ (Impairments)	Disposals	Balance as at 31 March 2020	Balance as at 31 March 2019	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2020	Balance as at 31 March 2019
<b>a. Tangible Assets</b>												
Land	20,314,652.00	120,703,816.00	-	-	-	141,018,468.00	-	-	-	-	20,314,652.00	141,018,468.00
Land (Lease)	1,666,527.65	-	-	-	-	1,666,527.65	-	-	-	-	1,666,527.65	1,666,527.65
Buildings	143,519,918.58	23,562,748.82	-	-	-	167,082,667.40	4,097,567.22	-	-	-	167,082,667.40	167,082,667.40
Plant and Equipment	350,521,811.10	131,150,199.79	-	-	23,126,814.00	508,545,196.89	283,382,817.81	44,100,038.88	-	21,734,048.55	297,169,193.29	352,820,318.75
Electric Equipments	12,725,103.05	680,824.23	-	-	-	13,405,927.28	8,104,811.61	612,152.88	-	-	3,670,292.04	3,745,963.43
Electric Panel & Sub Station	9,319,083.51	6,575,620.77	-	-	-	15,894,704.28	9,021,342.08	103,901.08	-	-	4,873,741.43	8,969,461.13
Tools, Mould & Rolls	38,085,570.12	5,489,796.50	-	-	108,510.00	43,575,876.62	23,449,218.72	2,378,277.84	-	13,391.56	25,815,105.00	14,808,351.40
Lab Equipment	21,346,437.49	2,282,225.07	-	-	720,000.00	22,508,662.56	19,059,925.97	1,044,110.80	-	884,000.00	6,286,914.52	7,489,038.78
Fire Fighting Equipment	119,792.89	606,131.00	-	-	-	725,923.89	114,185.43	8,040.27	-	-	122,225.70	5,517.46
Generator	14,371,573.50	-	-	-	-	14,371,573.50	6,686,676.71	769,330.33	-	-	7,456,007.04	7,684,898.79
Office equipment	15,610,266.30	2,486,735.90	-	-153,623.98	196,388.00	17,746,996.22	10,694,615.98	1,526,726.16	-145,842.00	168,298.60	11,888,031.54	4,915,650.32
Furniture and Fixtures	6,048,001.65	1,739,790.00	-	-	-	7,787,791.65	2,686,015.60	552,254.50	-	-	3,238,270.10	3,287,986.09
Vehicles	84,932,076.81	10,154,818.32	-	-	5,972,708.00	70,054,187.13	14,480,288.69	7,711,453.05	-	3,268,750.31	18,922,939.43	50,871,788.12
Computer & Peripherals	11,675,780.92	1,365,273.75	-	-2,909,577.01	-	10,131,477.66	8,182,639.42	1,272,649.78	-2,863,849.41	-	6,601,439.79	3,403,141.50
Wireless	88,891.00	-	-	-80,891.00	-	-	87,113.00	-	-87,113.00	-	-	1,778.00
<b>Total</b>	<b>910,565,457.17</b>	<b>306,816,973.15</b>	<b>-</b>	<b>-3,152,091.99</b>	<b>29,234,420.00</b>	<b>1,185,025,918.33</b>	<b>427,175,408.98</b>	<b>64,186,502.76</b>	<b>-3,096,904.41</b>	<b>25,886,761.02</b>	<b>462,378,246.31</b>	<b>483,410,048.19</b>
<b>b. Intangible Assets</b>												
Computer software	15,316,887.50	235,000.00	-	-	-	15,551,887.50	2,216,615.08	3,092,339.07	-	-	5,308,954.15	13,100,267.42
Others (Specify nature)												
<b>Total</b>	<b>15,316,887.50</b>	<b>235,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,551,887.50</b>	<b>2,216,615.08</b>	<b>3,092,339.07</b>	<b>-</b>	<b>-</b>	<b>5,308,954.15</b>	<b>13,100,267.42</b>
<b>c. Capital Work In Progress</b>												
CWIP- Building	-	6,177,060.33	-	-	-	6,177,060.33	-	-	-	-	-	6,177,060.33
CWIP- Software	-	2,410,000.00	-	-	-	2,410,000.00	-	-	-	-	-	2,410,000.00
CWIP- Plant & Machinery	14,721,150.43	29,904,408.06	-	-	13,683,150.43	34,008,408.06	34,250,567.08	-	-	-	14,721,150.43	3,448,000.00
CWIP- Electric Installation	346,159.00	-	-	-	-	346,159.00	-	-	-	-	346,159.00	346,159.00
<b>Total</b>	<b>15,067,309.43</b>	<b>32,491,468.39</b>	<b>-</b>	<b>-</b>	<b>13,683,150.43</b>	<b>33,875,627.39</b>	<b>439,392,024.06</b>	<b>67,278,841.83</b>	<b>-3,096,904.41</b>	<b>25,886,761.02</b>	<b>467,687,200.46</b>	<b>511,577,625.04</b>
<b>Total</b>	<b>940,949,649.10</b>	<b>339,543,441.54</b>	<b>-</b>	<b>-3,152,091.99</b>	<b>42,907,570.43</b>	<b>1,234,453,428.22</b>	<b>439,392,024.06</b>	<b>67,278,841.83</b>	<b>-3,096,904.41</b>	<b>25,886,761.02</b>	<b>467,687,200.46</b>	<b>511,577,625.04</b>

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## 11 Non Current Investments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount		Basis of Valuation
			2020	2019			2020	2019	2020	2019	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
(a)	<b>Investment in Equity Instruments</b>										
	Frontier Springs Limited	Others	3,500.00	3,500.00	Quoted	Fully Paid	-	0.08%	35,000.00	35,000.00	At Cost
	Shivalki Solid Waste Management Ltd.	Others	1,250.00	1,250.00	Unquoted	Fully Paid	-	-	25,000.00	25,000.00	At Cost
(b)	<b>Investments in Mutual Funds</b>										
	Aditya Birla Sun Life Balanced 95 Fund (F.No.1019779143)	Others	1,924.10	1,924.10	Quoted	Fully Paid	-	-	1,450,000.00	1,450,000.00	At Cost
	Aditya Birla Sun Life Equity Savings Fund (F.No. 1019779143)	Others	68,890.88	68,890.88	Quoted	Fully Paid	-	-	900,000.00	900,000.00	At Cost
	Aditya Birla Sun Life Credit Risk Fund (F.No.1037816927)	Others	1,133,310.24	1,133,310.24	Quoted	Fully Paid	-	-	15,000,000.00	15,000,000.00	At Cost
	Axis Short Term Fund (F.No.91450155851)	Others	3,127,605.26	1,012,001.51	Quoted	Fully Paid	-	-	65,000,000.00	20,000,000.00	At Cost
	DSP Blackrock Opportunities Fund (F.No.4801550/44)	Others	4,341.21	4,341.21	Quoted	Fully Paid	-	-	950,000.00	950,000.00	At Cost
	Franklin India Credit Risk Fund (F.No.21584263)	Others	543,348.26	543,348.26	Quoted	Fully Paid	-	-	10,000,000.00	10,000,000.00	At Cost
	Franklin India Credits Risk Fund (F.No.21629667)	Others	542,560.46	542,560.46	Quoted	Fully Paid	-	-	10,000,000.00	10,000,000.00	At Cost
	Franklin India Dynamic Accrual Fund (F.No.21584263)	Others	80,779.36	80,779.36	Quoted	Fully Paid	-	-	10,000,000.00	10,000,000.00	At Cost
	Franklin India Credit Risk Fund (F.No. 21623786)	Others	543,363.09	543,363.09	Quoted	Fully Paid	-	-	10,000,000.00	10,000,000.00	At Cost
	HDFC Hybrid Equity Fund (F.No. 12686658/13)	Others	28,085.88	28,085.88	Quoted	Fully Paid	-	-	1,450,000.00	1,450,000.00	At Cost
	HDFC Equity Savings Fund (F.No. 12686658/13)	Others	100,633.63	100,633.63	Quoted	Fully Paid	-	-	3,500,000.00	3,500,000.00	At Cost
	HDFC Banking & PSU Debt Fund - 12686658/13	Others	1,810,769.71	1,810,769.71	Quoted	Fully Paid	-	-	28,303,031.52	28,303,031.52	At Cost
	HDFC Credit Risk Debt Fund (F.No. 12686658/13)	Others	2,803,091.35	2,803,091.35	Quoted	Fully Paid	-	-	41,628,709.61	41,628,709.61	At Cost
	HDFC Corporate Bond Fund (F.No.15289943/16)	Others	2,161,566.97	971,990.22	Quoted	Fully Paid	-	-	45,000,000.00	20,000,000.00	At Cost
	HDFC Credit Risk Debt Fund (F.No.15289943/16)	Others	667,775.17	667,775.17	Quoted	Fully Paid	-	-	10,000,000.00	10,000,000.00	At Cost
	ICICI Prudential Equity & Debt Fund (F.No. 10322196/80)	Others	11,380.95	11,380.95	Quoted	Fully Paid	-	-	1,450,000.00	1,450,000.00	At Cost
	ICICI Credit Risk Fund (F.No. 10322196/80)	Others	3,717.68	3,717.68	Quoted	Fully Paid	-	-	950,000.00	950,000.00	At Cost
	ICICI All Season Bond Fund (F.No. 10322196/80)	Others	521,543.65	521,543.65	Quoted	Fully Paid	-	-	10,051,166.95	10,051,166.95	At Cost
	ICICI Prudential Corporate Bond Fund (F.No. 10322196/80)	Others	547,754.35	216,352.81	Quoted	Fully Paid	-	-	13,000,000.00	5,000,000.00	At Cost
	ICICI Prudential Banking & PSU Debt Fund (F.No. 12298299/21)	Others	870,563.69	267,069.76	Quoted	Fully Paid	-	-	17,000,000.00	5,000,000.00	At Cost
	ICICI Prudential Credit Risk Fund (F.No.12298299/23)	Others	1,787,183.94	965,720.82	Quoted	Fully Paid	-	-	38,116,547.66	20,000,000.00	At Cost
	ICICI Prudential All Season Bond Fund (F.No.12298299/23)	Others	1,997,774.32	1,997,774.32	Quoted	Fully Paid	-	-	38,437,177.97	38,437,177.97	At Cost
	ICICI Prudential Liquid Fund (F.No.12298299/23)	Others	2,184,018.00	883,466.57	Quoted	Fully Paid	-	-	51,002,544.67	20,000,000.00	At Cost
	ICICI Prudential Short Term Fund - G (F.No. 12298299/23)	Others	36,301.26	36,301.26	Quoted	Fully Paid	-	-	10,000,000.00	10,000,000.00	At Cost
	IDFC Bond Fund Medium Term Plan G (F.2625070/26)	Others	1,396,691.93	1,599,373.29	Quoted	Fully Paid	-	-	65,000,000.00	10,000,000.00	At Cost
	Kotak Bond Short Term Fund (F.No.5759681/52)	Others	67,749.47	587,977.15	Quoted	Fully Paid	-	-	45,329,620.64	20,000,000.00	At Cost
	Kotak Equity Savings Fund (F.No. 4571458/68)	Others	8,749.47	67,749.47	Quoted	Fully Paid	-	-	65,000,000.00	20,000,000.00	At Cost
	LET Hybrid Equity Fund (F.No. 3390932/79)	Others	53,824.74	53,824.74	Quoted	Fully Paid	-	-	900,000.00	900,000.00	At Cost
	Mirae Asset Hybrid Equity Fund (F.No. 7148664462)	Others	103,457.78	103,457.78	Quoted	Fully Paid	-	-	1,400,000.00	1,400,000.00	At Cost
	SBI Corporate Bond Fund (F.No.-21625129)	Others	2,725,582.51	103,457.78	Quoted	Fully Paid	-	-	1,400,000.00	1,400,000.00	At Cost
	SBI Credit Risk Fund (F.No. 21486959)	Others	1,733,487.56	1,733,487.56	Quoted	Fully Paid	-	-	30,000,000.00	30,000,000.00	At Cost
	SBI Short Term Debt Fund (F.No.2307729)	Others	222,273.59	222,273.59	Quoted	Fully Paid	-	-	50,082,915.31	50,082,915.31	At Cost
	<b>Total</b>								<b>632,363,714.33</b>	<b>334,611,969.84</b>	



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## 12 Loans &amp; Advances

Particulars	Long Term		Short Term	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
a. Capital Advances				
Unsecured, considered good	40,924,935.68	13,802,140.71	-	-
	40,924,935.68	13,802,140.71	-	-
b. Security Deposits				
Unsecured, considered good	3,995,917.00	5,525,615.00		
	3,995,917.00	5,525,615.00		
c. Advances Recoverable in Cash or Kind				
Unsecured, considered good			40,915,404.20	16,927,226.23
	-	-	40,915,404.20	16,927,226.23
d. Other loans and advances				
Unsecured, considered good	-	-	445,144,731.89	201,953,272.29
	-	-	445,144,731.89	201,953,272.29
<b>Total</b>	<b>44,920,852.68</b>	<b>19,327,755.71</b>	<b>486,060,136.09</b>	<b>218,880,498.52</b>

## 13 Other Assets

Particulars	Non-Current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Interest Receivable on Bank Deposits			1,623,579.13	4,057,554.00
Input of GST on Goods in Transit			-	245,106.00
Interest Receivable from HPSEB			12,795.00	12,795.00
Other Receivables			585,501.53	51,337.52
Material Sent as replacement Pending Upliftment			1,742,638.00	-
Non Current Bank Balance (See Note 16)	185,407.00	18,226,211.33	-	-
<b>Total</b>	<b>185,407.00</b>	<b>18,226,211.33</b>	<b>3,964,513.66</b>	<b>4,366,792.52</b>



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## 14 Inventories

Particulars	As at 31 March 2020	As at 31 March 2019
a. Raw Materials and components (Valued at Cost)	292,353,158.36	240,226,580.33
Goods-in transit	-	-
	292,353,158.36	240,226,580.33
b. Work-in-progress (Valued at Cost)	103,280,975.10	84,944,854.54
Goods-in transit	-	-
	103,280,975.10	84,944,854.54
c. Finished goods (Valued at lower of cost or market price)	54,701,237.71	37,868,513.31
Goods-in transit	-	-
	54,701,237.71	37,868,513.31
d. LSHS Oil (Valued at Cost)	77,367.83	1,608,785.99
Goods-in transit	-	-
	77,367.83	1,608,785.99
e. Stores and spares (Valued at Cost)	34,236,544.27	29,219,568.61
Goods-in transit	-	-
	34,236,544.27	29,219,568.61
f. Packing Material (Valued at Cost)	759,057.27	892,100.52
Goods-in transit	-	-
	759,057.27	892,100.52
g. Others (Specify nature)	-	-
	-	-
	-	-
<b>Total</b>	<b>485,408,340.54</b>	<b>394,760,403.30</b>

## 15 Trade Receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	560,905,920.57	318,748,170.74
	<b>560,905,920.57</b>	<b>318,748,170.74</b>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
a) Unsecured, considered good	8,408,478.00	9,497,668.48
b) Doubtful	-	-
Less:		
Provision for Doubtful debt	-2,500,000.00	-2,500,000.00
	<b>5,908,478.00</b>	<b>6,997,668.48</b>
<b>Total</b>	<b>566,814,398.57</b>	<b>325,745,839.22</b>



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## 16 Cash and Bank Balances

Particulars	As at 31 March 2020		As at 31 March 2019	
Cash and cash equivalents				
a. Balances with banks		13,425,138.57		12,635,938.16
On Current Accounts				
b. Cash on hand*		129,217.84		121,907.84
Other Bank Balances				
a. Margin money Deposits	41,381,119.00		59,233,603.33	
b. Guarantees	185,407.00		185,407.00	
c. Other FDR with Bank	-		-	
	41,566,526.00		59,419,010.33	
Bank deposits with more than 12 months maturity disclosed under non-current assets (see note 13)	-185,407.00	41,381,119.00	-18,226,211.33	41,192,799.00
Total		54,935,475.41		53,950,645.00



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## 17 Revenue from Operations

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products	3,468,584,392.30	2,800,137,690.36
Sale of services	10,257,357.00	15,344,914.00
Other operating revenues		
-Freight Realised on Sales	60,157,764.00	52,384,409.86
Rental on Leased Assets	5,254,000.00	-
<b>Total</b>	<b>3,544,253,513.30</b>	<b>2,867,867,014.22</b>

## 18 Other Income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest Income (in case of a company other than a finance company)	3,661,571.17	6,608,658.80
Dividend Income	507,822.67	3,375.00
Net gain/loss on sale of investments	5,291,432.92	1,266,130.46
Other non-operating income (net of expenses directly attributable to such income)	-	-
<b>Total</b>	<b>9,460,826.76</b>	<b>7,878,164.26</b>

## 19 Cost of materials consumed

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening Stock	240,226,580.33	175,783,810.74
Add: Purchases	1,374,974,571.40	1,164,546,577.93
Custom Clearing Expenses (Import)	709,309.09	281,492.21
Freight & Cartage	34,899,800.76	29,931,559.36
Packing Expenses	16,055,496.63	9,785,555.28
Rubber Cess	-	59.00
<b>sub-total</b>	<b>1,666,865,758.21</b>	<b>1,380,329,054.52</b>
Less: Captive Consumption in Capital Goods	-	609,760.00
Closing Stock	292,353,158.36	240,226,580.33
<b>Total</b>	<b>1,374,512,599.85</b>	<b>1,139,492,714.19</b>

## 20 (Increase)/ Decrease in Inventories

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening stock of Finished Goods	37,868,513.31	52,620,671.75
Opening stock of Work-in-Progress	84,944,854.54	88,966,872.86
<b>Sub-total</b>	<b>122,813,367.85</b>	<b>141,587,544.61</b>
Closing stock of Finished Goods	54,701,237.71	37,868,513.31
Closing stock of Work-in-Progress	103,280,975.10	84,944,854.54
<b>Sub-total</b>	<b>157,982,212.81</b>	<b>122,813,367.85</b>
(Increase)/ decrease in Finished Stock & WIP	-35,168,844.96	18,774,176.76



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## 21 Employee Benefit Expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) Salaries and incentives	318,704,962.26	235,818,557.66
(b) Contributions to -		
(i) Provident fund(ii) Superannuation scheme	9,376,006.00	6,911,082.00
(c) Gratuity fund contributions	-	11,492,077.72
(d) Social security and other benefit plans for overseas employees	-	-
(e) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP),	-	-
(f) Staff welfare expenses	6,844,030.34	7,093,622.50
<b>Total</b>	<b>334,924,998.60</b>	<b>261,315,339.88</b>

## 22 Finance Cost

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense	10,060,882.38	10,687,510.42
Other borrowing costs	-	-
Applicable net gain/loss on foreign currency transactions and translation	2,414,181.42	1,192,802.37
<b>Total</b>	<b>12,475,063.80</b>	<b>11,880,312.79</b>

## 23 Other Expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>(A) Manufacturing Expenses</b>		
Consumable Stores Consumed	171,018,301.22	158,755,313.21
Electrical Maintenance	1,274,379.36	1,056,090.53
Power & Fuel Expenses	220,616,679.36	194,095,598.13
Job Work Charges	97,414,831.37	56,182,685.23
GST	-1,902,932.33	65,527,337.91
Lab Testing & Inspection Charges	695,921.67	836,107.92
Machinery Maintenance	29,154,813.67	25,851,945.87
Production Incentive	875,200.00	496,850.00
Safety Expenses	1,897,191.69	1,336,606.00
Testing Expenses	4,416,146.90	2,293,626.00
Design Expenses	914,071.00	227,618.00
Unutilized EC on Excise Duty (Lapsed)	-	398,164.00
Workshop Maintenance	11,642,628.19	6,070,715.82
Mould, Gauge & Pattern Expenses	1,726,092.07	2,242,112.14
<b>Sub-total (A)</b>	<b>539,743,324.17</b>	<b>515,370,770.76</b>



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## 23 Other Expenses

<b>(B) Administrative Expenses</b>		
Advertisement & Publicity Expenses	1,928,469.02	1,111,723.05
Audit Fees- Statutory and Tax Audit	180,000.00	180,000.00
Audit Fees- GST Audit	22,000.00	-
Audit Fees- Internal Audit	120,000.00	-
Bank Charges	2,425,852.60	1,699,845.30
Books & Periodicals	21,755.00	32,101.00
Building Repairing & Maintenance	5,408,057.83	11,056,050.08
Credit Rating Charges	40,000.00	50,000.00
Computer Expenses	1,528,139.47	1,613,821.81
Corporate Social Responsibility	7,042,086.36	3,264,796.00
Cost Audit Fees	55,000.00	55,000.00
Director Sitting Fees	225,000.00	285,000.00
Donation	95,640.00	297,201.00
Donation to Political Party	151,000.00	-
Excise /ST ( Sabka Vishwas)	1,064,600.10	-
Filing Fees	43,788.59	19,772.18
Gardening Expenses	66,941.44	435,948.32
General Repair and Maintenance	617,561.00	566,187.61
Insurance Expenses	2,034,819.62	1,267,964.27
Internet Expenses	221,347.86	180,561.01
Late Fees GST	8,450.00	1,200.00
Lease Rent	16,778.00	17,177.80
Legal Charges	319,738.50	459,935.00
Loss on sale of Asset	34,603.58	97,031.35
Membership & Subscription	121,456.00	70,302.00
Miscellaneous Expenses	79,010.46	152,346.89
Maintenance charges (U.P.S.I.D.C)	166,939.00	166,939.00
NPS (POP & CRA Charges)	19,425.56	4,092.40
Office Maintenance	743,093.46	612,271.35
Poojan Expenses	241,909.00	343,034.00
Postage & Courier Expenses	170,991.55	211,443.93
Printing & Stationery	1,023,932.88	1,123,567.36
Professional & Consultancy Charges	5,078,245.00	2,086,660.00
Rates & Taxes	6,900.00	6,000.00
Recruitment Expenses	25,000.00	25,000.00
Retainership Expenses	634,177.00	583,922.00
Registration Fees & Licence Fees	1,455,700.40	512,632.00
Rent	478,182.00	433,192.00
Vat Demand	76,033.00	670,872.00
Share Maintenance Charges	18,750.00	-
STT Expense	667.22	-
Sundry Balance Written off	571,644.32	139,237.99
Telephone Expenses	498,505.11	685,106.15
Training & Seminars Expenses	283,838.98	75,368.82
Travelling & Conveyance Expenses	11,932,978.81	9,985,725.42
Travelling Expenses(Director Foreign)	2,319,131.65	1,420,493.84
Vehicle Running & Maintenance Expenses	4,300,438.68	3,657,635.06
Watch & Ward	8,802,300.76	6,748,350.00
Weight & Measurement Expenses	94,787.50	198,656.00
<b>Sub-total (B)</b>	<b>62,815,667.31</b>	<b>52,604,163.99</b>



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## 23 Other Expenses

<u>(C) Selling &amp; Distribution Expenses</u>		
Liquidated Damages	25,364,469.50	9,054,558.95
SVC Deduction	12,043,575.00	-
G.D. Levy	1,904,851.00	-
Miscellaneous Deduction by Railway	160,419.85	453,988.87
Royalty Expenses	48,110,320.00	23,124,936.58
Tender Fees	19,489.00	61,058.00
Inspection Fees	1,540,587.84	4,174,099.88
Entertainment / Business Promotion Expenses	4,936,895.46	4,692,322.29
Commission & Brokerage	31,560,513.02	28,743,107.08
Custom Clearing Expenses (Export)	-	3,500.00
Freight & Cartage Outward	52,549,747.98	48,659,773.00
Warranty Claims	-	425,280.00
Sample Issued	97,985.87	29,321.40
Sub-total (C)	178,288,854.52	119,421,946.05
Total	780,847,846.00	687,396,880.80

## Additional Informations

Payments to the auditor as	For the year ended 31 March 2020	For the year ended 31 March 2019
a. auditor		
(i) Statutory & Tax Audit Fee	180,000.00	180,000.00
b. for taxation matters		
c. for company law matters		
d. for management services		
e. for other services	-	15,000.00
f. for reimbursement of expenses	45,148.00	28,888.00
Total	225,148.00	223,888.00



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2020 (Contd..)

24 Earning Per Share (EPS)

Earning per share is calculated by dividing the profit attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earnings are stated below :

Particulars	As at 31st March 2020	As at 31st March 2019
a) Profit for the year after tax	848,951,118.29	505,278,195.66
Weighted average Number of shares outstanding during the year	8,508,498.00	8,508,498.00
b) Earnings per share (Basic and Diluted)	99.78	59.39
Face Value per Share	10.00	10.00

25 Contingent Liabilities

Particulars	As at 31st March 2020	As at 31st March 2019
a) Claim against the Company not acknowledged as debt	7,702,599.00	11,192,399.00
b) Excise Duty Matters under dispute-Appeal by Company	-	131,840.00
c) Service Tax Matters under dispute-Appeal by Company	-	750,171.00
<b>Total</b>	<b>7,702,599.00</b>	<b>12,074,410.00</b>

26 Capital and Other Commitments

Particulars	As at 31st March 2020	As at 31st March 2019
a) Capital Commitments, net of capital advances	53,053,160.12	13,908,101.00
b) Other Commitments *	33,004,836.00	33,004,836.00
<b>Total</b>	<b>86,057,996.12</b>	<b>46,912,937.00</b>

\* The Company has imported Capital goods under the Export Promotion Capital Goods Scheme of the Gov. of India at concessional rates of duty on an undertaking to fulfill quantified exports in next 6 years.

27 Value of Imports calculated on CIF Basis

Particulars	As at 31st March 2020	As at 31st March 2019
a) Component	119,544,902.75	73,997,865.70
b) Capital Goods	33,891,359.00	16,644,555.00
<b>Total</b>	<b>153,436,261.75</b>	<b>90,642,420.70</b>



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2020 (Contd..)

28 Expenditure in Foreign Currency

Particulars	As at 31st March 2020	As at 31st March 2019
a) Travelling Expenses	454,666.94	683,192.89
b) Purchase of part of asset	-	-
<b>Total</b>	<b>454,666.94</b>	<b>683,192.89</b>

29 Imported and Indigenous raw materials, components, and spare parts consumed

Particulars	As at 31st March 2020	Percentage	As at 31st March 2019	Percentage
<b>Raw Material and Components</b>				
Imported	80,341,209.08	5.85%	71,838,274.80	6.30%
Indigenous	1,294,171,390.77	94.15%	1,067,654,439.39	93.70%
<b>Total</b>	<b>1,374,512,599.85</b>	<b>100.00%</b>	<b>1,139,492,714.19</b>	<b>100.00%</b>
<b>Spare Parts</b>				
Imported	-	0.00%	-	0.00%
Indigenous	11,642,628.19	100.00%	6,070,715.82	100.00%
<b>Total</b>	<b>11,642,628.19</b>	<b>100.00%</b>	<b>6,070,715.82</b>	<b>100.00%</b>

30 Earnings in Foreign Currency

Particulars	As at 31st March 2020	As at 31st March 2019
F.O.B Value of Exports (In INR)	-	1,178,320.00
<b>Total</b>	<b>-</b>	<b>1,178,320.00</b>

31 Segment Information

The Company has two units located at two different geographical segment, hence secondary segment data is applicable as shown below.

Particulars	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019	As at 31st March 2019
	Kanpur	Paonta Sahib	Kanpur	Paonta Sahib
Segment Revenue				
External Sales of Product	3,128,632,361.76	339,952,030.54	2,372,325,687.73	426,633,682.63
External Sales of Services	10,257,357.00	-	15,344,914.00	-
Other Operating Revenues	44,823,593.00	15,334,171.00	36,728,598.86	15,655,811.00
Other income	7,594,967.38	1,865,859.38	4,283,658.90	3,594,505.36
Segment Assets	2,525,081,689.71	584,804,945.06	1,500,808,226.19	411,658,741.97
Capital Expenditure	242,245,543.56	64,806,429.59	112,043,576.77	19,515,412.93



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## 32 Disclosure of transaction with related parties as required by Accounting Standard -18

PARTICULARS		2020		2019	
Name of related party and nature of relationship	Nature of Transaction	Transaction value	Outstanding amount carried in the books	Transaction value	Outstanding amount carried in the books
Individuals controlling voting power/exercising significant influence and their relatives					
Mr. K.L. Bhatia (Relative of key managerial personnel)	Remuneration	-	-	-	-
	Interest	-	-	-	-
	Rent	180,000.00	-	180,000.00	13,500.00
Mr. C.D Bhatia (Chairman) (Also key managerial personnel)	Remuneration	7,800,000.00	2,051,037.99	7,805,000.00	1,538,339.00
	Interest	-	-	9,469.00	-
	Rent	180,000.00	-	180,000.00	-
Mr. S.C Bhatia (Director) (Also key managerial personnel)	Remuneration	7,423,361.00	420,099.50	7,615,061.00	961,468.44
	Interest	-	-	-	-
Mr. Chetan Bhatia (Managing Director) (Also key managerial personnel)	Remuneration	41,723,007.00	5,000,213.37	26,575,580.00	3,927,179.93
	Commission	-	-	-	-
Mr. Chandan Bhatia (Director) (Also key managerial personnel)	Remuneration	42,706,622.00	5,351,262.00	26,381,157.00	6,400,389.00
	Commission	-	-	-	-
	Interest	-	-	59,408.00	-
Mr. Manu Bhatia (Director works) (Also key managerial personnel)	Remuneration	41,762,507.00	5,006,771.23	26,398,657.00	4,440,261.79
	Commission	-	-	-	-
Mrs. Sonia Bhatia (Director works) (Also key managerial personnel)	Remuneration	17,460,000.00	2,439,082.22	15,766,154.00	1,544,186.76
	Commission	-	-	-	-
Mrs.Priya Bhatia (Director)	Remuneration	17,860,000.00	3,684,441.00	15,741,538.00	2,441,066.00
	Commission	17,460,000.00	3,456,208.23	15,681,538.00	1,950,282.42
Mr. Kushagra Bhatia	Salary	750,000.00	-	-	-
Mr. P.M. Gupta (Director)	Sitting fee	100,000.00	-	95,000.00	-
Mr.Yash Pal(Director)	Sitting fee	100,000.00	-	95,000.00	-
Mr.Ramesh Narayan Trivedi(Director)	Sitting fee	25,000.00	-	95,000.00	-
Key Management Personnel & Their Relatives (Other than those included in a) above)					
Enterprise over which anyone in (a) & (b) exercises significant influence					
Frontier Springs Limited	Purchase	125,343,675.00	18,342,735.00	127,722,119.00	16,262,468.00
	Job Work Charges	937,950.00	69,600.00	981,312.00	132,936.00
	Sale	1,245,216.00	6,884.12	2,423,897.00	-
	Job Work Income	34,750.00	-	-	-
Frontier Springs	Commission Paid	5,436,299.00	3,238,155.50	-	-
Frontier Engineering Corporation	Purchase	88,075,535.00	2,237,914.64	73,475,115.04	420,000.00
	Asset Purchased	74,600.00	-	-	-
	Job Work	514,520.00	228,405.00	303,979.80	94,285.20
	Sale	24,096,882.00	-	13,278,207.00	10,736,097.10
N.W.F.P Equipments Pvt. Ltd.	Interest	-	-	4,086,756.00	-
	Jobwork Charges	67,008,225.00	29,249,872.46	37,180,529.14	1,105,580.67
	Purchase	203,639,583.48	38,657,272.02	106,567,912.88	10,794,254.00
	Sales	1,521,424.06	-	-	-
	Rent Recived	5,254,000.00	-	-	-
Ekalavya Rail Private Limited	Purchase	16,879,000.00	11,798,708.00	-	-
	Sale	2,484,032.00	-	-	-
Ram Chandra & Associates	Commission Paid	655,361.00	622,593.00	-	-
Vishnu Enterprises	Commission Paid	622,386.00	591,266.00	-	-

## 33 Previous year figures

The previous year's figures have been reclassified and/or regrouped, wherever required, to conform to current year's classification.





Frontier Alloy Steels Limited

Cash Flow Statement

Particulars		2020	2019
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	Net(Loss)/ Profit After Taxes	848,951,118.29	505,278,195.66
	Add :		
	Depreciation	67,278,841.83	58,013,033.41
	Loss on sale of Fixed Assets	34,603.58	97,031.35
	Loss on Sale of Investment	-	-
	Less :		
	Profit on Sale of Investment	5,291,432.92	1,266,130.46
	Profit on sale of Fixed Asset	-	14,265.00
	Provision for Doubtful Debts	-	-
	Provision for Warranty Claim	-349,320.00	646,720.00
	Dividend Received	507,822.67	3,375.00
	Interest on STDR	3,661,571.17	6,608,658.80
	Operating(Loss) / Profit Before working capital changes	<b>907,153,056.94</b>	<b>554,849,111.15</b>
	Add :		
	Transfer from Provision for Doubtful debt	-	9,000,000.00
	Increase in Liabilities & Provisions	266,513,659.75	208,276,166.47
		266,513,659.75	217,276,166.47
	Less :		
	Increase in Debtors	241,068,559.35	82,895,191.82
	Increase in Inventory	90,647,937.24	50,517,778.72
	Increase in Loan and Advances and other assets	274,329,651.35	108,893,932.96
	Income Tax for earlier years	-	-23,302.00
	Dividend and Dividend Tax	12,308,934.60	12,308,935.00
		<b>618,355,082.54</b>	<b>254,592,536.50</b>
	<b>Cash Generated From Operations</b>	<b>A 555,311,634.15</b>	<b>517,532,741.12</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	Add :		
	Sale of Fixed Assets	3,358,242.98	517,265.00
	Sale of Investments	-	-
	Dividend Received	507,822.67	3,375.00
	Profit on Sale of Investment	5,291,432.92	1,266,130.46
	Interest Received on STDR	3,661,571.17	6,608,658.80
	Less :		
	Purchase of Assets	325,860,291.11	126,770,091.17
	Purchase of Investment	297,751,744.49	323,451,969.84
	<b>Net Cash Flow Used in Investing Activities</b>	<b>B -610,792,965.86</b>	<b>-441,826,631.75</b>
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	Add :		
	Capital Investment Subsidy	-	-
	Proceeds from borrowings- Secured Loans	-	4,635,153.30
	Proceeds from borrowings- Unsecured Loans	-	-
	Proceeds from borrowings- Working Capital Limit	24,209,602.32	-
	Proceeds from borrowings- Against FDR	51,135,516.09	-
	Increase in Share capital and Securities Premium	-	-
	Less :		
	Repayment of borrowings- Secured Loans	18,878,956.29	-
	Repayment of borrowings- Unsecured Loans	-	41,512,910.00
	Repayment of borrowings- Working Capital Limit	-	6,371,408.34
	Repayment of borrowings- Against FDR	-	8,618,230.14
	Repayment of Preference shares	-	-
	<b>Net Cash Flow From Financing Activities</b>	<b>C 56,466,162.12</b>	<b>-51,867,395.18</b>
	<b>Net Increase in Cash and Cash Equivalents</b>	<b>A+B+C 984,830.41</b>	<b>23,838,714.19</b>
	Cash and Cash Equivalents (Opening Balance)	53,950,645.00	30,111,930.81
	Cash and Cash Equivalents (Closing Balance)	54,935,475.41	53,950,645.00

In Terms of our report of date mentioned below

For Sudhindra Jain & Co.  
Chartered Accountants  
FRN : 001614C

(Pawan Kumar Jain)  
Partner  
M. No. 078257

Place : Kanpur  
Date : 04.09.2020

For Frontier Alloy Steels Limited

(Chetan Bhatia)  
Managing Director

(Pawan Kumar Agrawal)  
G.M. (Finance)

(Manu Bhatia)  
Director

(Malika Gupta)  
Company Secretary  
M.No 37564

