



**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 Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone financial statements of **Frontier Alloy Steels Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, the Statement of Profit and Loss (including other comprehensive Income), the Cash Flow Statement and statement of changes in equity for the year then ended, notes to the standalone 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, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2023, and its profit (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, 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 opinion.





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### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

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, Business Responsibility 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.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act.

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 objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in Annexure A, 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 purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity dealt with by this report are in agreement with the books of accounts.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act
  - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.





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g) With respect to the other matters to be included in auditor's report in accordance with the requirements of Section 197 of the Act: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its director's during the year is in accordance with the provisions of Section 197 (16) of the Act read with Schedule V to the Act.

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, 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 standalone financial statements
- ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023;
- iv. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2023.
- v. The Management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- vi. The Management has represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- vii. Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation under sub- clause (i) and (ii) of Rule 11 (e) as provided under paragraph (2) (g) (v) & (vi) above, contain any material misstatement.





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viii. The company has paid dividend during the year which is not in contravention of the provisions of section 123 of the Companies Act, 2013.

ix. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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



Place: Kanpur

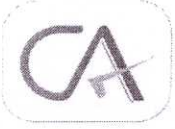
Date : 05-09-2023

**CA SHOBHIT GUPTA  
(Partner)**

M. No. 449146

FRN 001614C

UDIN: 23449146BGUWTJ5855



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**Annexure A to the Independent Auditor's Report to the members of Frontier Alloy Steels Limited on its financial statements dated 31.03.2023.**

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 3 of 'Report on Other Legal and Regulatory Requirements' section.

To the best of our information and according to the explanations provided to us by the Company read with internal audit report in the normal course of audit, we state that:

i) (a)(A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment have been physically verified by the management according to the programme of periodical verification in a phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its property, plant and equipment. No material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, all the title deed of immovable properties are held in the name of the Company. Further, the properties where the company is the lessee, the lease agreements are duly executed in favour of the company.

(d) The Company has not revalued its property, plant and equipment and intangible assets during the year.





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- (e) According to the information and explanation given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.
- ii) (a) According to the information and explanation given to us, inventory has been physically verified at reasonable intervals by the management. In our opinion, coverage and procedure of such verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.
- (b) According to the information and explanations given to us and based on our examinations of the records, the company has been sanctioned working capital limits in excess of five Crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company except for minor differences.
- iii) (a) According to the information and explanations given to us and based on our examinations of the records, though, the company has made investments in mutual funds during the year under review, however, no loans, guarantee or security has been provided to any other entity, therefore, provisions of clauses 3 (iii) (a), (c), (d), (e) and (f) are not applicable to the Company. Further, investments made are not prejudicial to the Company's interest.
- iv) The Company has complied with the provisions of section 185 and 186 in respect of investments made during the year, however, no loans, guarantees or security has been provided by the Company.
- v) According to the information and explanations given to us, in our opinion, the Company has not accepted any deposits from the public within the meaning of section 73, 74, 75 and 76 of the Act read with the Companies (Acceptance & Deposit) Rules 2014 and other relevant provisions of the Act, to the extent notified and no order has been passed by Company law Board or National law Tribunal or Reserve Bank of India or any court or any other Tribunal







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against the Company. Accordingly, the provisions of clause 3(v) of the said order are not applicable to the Company.

vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, in respect of Company's products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) In respect of statutory dues:

a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it, with the appropriate authorities though there has been slight delay in few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

b) According to the information and explanations given to us, the particulars of statutory dues with respect to Service-tax, Sales-tax, Custom Duty, Excise Duty, Entry tax, Value Added Tax, Goods and Service Tax or any other dues that have not been deposited on account of any dispute as on 31<sup>st</sup> Mar, 2023 are as under:

Statute	Nature of Dues	Forum where dispute is pending	Period to which it relates	Amount Involved (Rs in crores)	Amount paid under protest (Rs. in crores)
Stamp Act	Stamp Duty	High Court Allahabad	2009-2010	0.14	0.03





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- viii) According to the information and explanations given to us, Company has not surrendered or disclosed any transaction, previously unrecorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable to the company.
- ix) (a) According to the information and explanations given to us and as per the books and records examined by us, in our opinion, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Accordingly, the provisions of clause 3(ix)(a) of the Order are not applicable to the company.
- (b) According to the information and explanations given to us and the records of the Company examined by us including representation received from the management, the Company has not been declared willful defaulter by any bank, financial institution or other lenders.
- (c) According to the information and explanations given to us and the records of the Company, prima facie term loans were applied for the purpose for which the loans were obtained.
- (d) On overall examination of the financial statement of the Company, prima facie, no funds raised on short term basis have been used for long term purposes by the Company.
- (e) According to the information and explanations given to us and the records of the Company, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures. Accordingly, the provisions of clause 3(ix)(e) of the Order are not applicable to the company.
- (f) According to the information and explanations given to us and the records of the Company, the company has not raised any loan during the year on the pledge of securities held in its subsidiaries, joint venture or associate companies. Accordingly, the provisions of clause 3(ix)(f) of the Order are not applicable to the company.
- x)
- (a) According to the information and explanations given to us and as per the books and records examined by us, the company has not raised money by way of initial public offer or further





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public offer (including debt instruments). Accordingly, the provisions of paragraph 3(x) (a) of the Order are not applicable to the company.

(b) According to the information and explanations given to us and as per the books and records examined by us, the company has not made any preferential allotment or private placement of shares or convertible debentures during the year accordingly, the provisions of paragraph 3(x) (b) of the Order are not applicable to the company.

xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year. Accordingly, the provisions of paragraph 3(xi) (a) and (b) of the Order are not applicable to the company.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information & explanations and representation made by the management, no whistle-blower complaints have been received during the year (and up to the date of the report) by the company.

xii) In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of paragraph 3(xii) (a) to (c) of the Order are not applicable to the company.

xiii) 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 the Act wherever applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards.





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- xiv) a) According to the information and explanations given to us and based on our examination of the records by us, the Company have an adequate internal audit system commensurate with the size and the nature of its business. With respect to its adequacy, we have issued a recommendation letter to widen the reporting areas in internal audit reports.
- b) We have considered the internal audit reports issued to the Company during the year.
- xv) In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence the provisions of paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the provision of paragraph 3 (xvi) (a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any non-banking financial activities as its principal business. Accordingly, the provision of paragraph 3 (xvi) (b) of the Order is not applicable to the Company.
- (c) In our opinion, the Company is not a core investment company as defined in the regulation made by the Reserve Bank of India.
- (d) According to the information and explanation given to us and as based on the representation received, we report that the group has no core investment company. Accordingly, the provision of paragraph 3 (xvi) (d) of the Order is not applicable to the Company.
- xvii) In our opinion, and based on our analysis of financial statement, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause 3(xviii) is not applicable.





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xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx) (a) According to the information and explanations given to us, in respect of other than ongoing projects, the company has transferred unspent amount of CSR to a Fund specified in Schedule VII to the Companies Act, 2013 within a period of six months of the expiry of the financial year in compliance with the second proviso to sub-section (5) of section 135 of the said act as detailed below:

Financial Year	Amount unspent on Corporate Social Responsibility activities "Other Than Ongoing Projects: (In crores)	Amount transferred to fund specified in schedule VII within 6 months from the end of the financial year (in crores)	Amount transferred after due date
2022-23	NIL	NIL	NIL
2021-22	0.41	0.41	Nil





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(b) According to the information and explanations given to us and based on our examination of the records of the Company, the company does not have ongoing projects as per section 135 (5) of companies act, 2013. Accordingly, provisions of paragraph (xx) (b) of the Order are not applicable to the Company.

**For SUDHINDRA JAIN & CO.**

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**CA SHOBHIT GUPTA**  
**(PARTNER)**

**M. NO. : 0449146**

Place : Kanpur

Date : 05-09-2023



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**Annexure B to the Independent Auditor's Report to the members of Frontier Alloy Steels Limited on its financial statements dated 31.03.2023.**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements **Frontier Alloy Steels Limited** ("the Company") as of March 31, 2023 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 Management and Board of Directors of the Company 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". 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 the 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 Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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 prescribed under section 143(10) of the Act, 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 such controls operated effectively in all material respects.





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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.

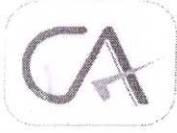
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls System over Financial Reporting with reference to standalone financial statements**

A Company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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.







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**Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these financial statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements 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.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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.

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



**CA SHOBHIT GUPTA**  
**(PARTNER)**

**M. NO. : 0449146**

**UDIN: 2344914689UWTJ5855**

**Place : Kanpur**

**Date : 05-09-2023**

# FRONTIER ALLOY STEELS LIMITED

CIN No. U27105UP1986PLC007967

(Amount in Crores)

## STANDALONE BALANCE SHEET as at March 31, 2023

	Note No.	As at March 31, 2023	As at March 31, 2022
<b>I. ASSETS</b>			
(1) <b>Non - current assets</b>			
(a) Property, plant and equipment	2	79.36	78.28
(b) Right-of-use assets	3	0.44	0.46
(c) Capital work - in - progress	4	5.14	1.57
(d) Intangible assets	5	0.49	0.83
(e) Financial assets			
(i) Investments	6	207.35	182.12
(ii) Trade receivables		-	-
(ii) Loans		-	-
(ii) Others	7	0.40	0.39
(f) Deferred Tax Assets (net)	8	-	-
(g) Other non - current assets	9	1.41	3.39
(2) <b>Current assets</b>			
(a) Inventories	10	75.23	47.13
(b) Financial assets			
(i) Investments		-	-
(ii) Trade receivables	11	78.22	51.37
(iii) Cash and cash equivalents	12	0.26	5.15
(iv) Bank balances other than (iii) above	13	3.96	3.77
(v) Loans	14	0.14	0.13
(vi) Others	7	0.99	0.52
(c) Current Tax asset (Net)	15	-	-
(d) Other current assets	9	3.60	5.69
<b>Total Assets</b>		<b>457.00</b>	<b>380.79</b>
<b>II. EQUITY AND LIABILITIES</b>			
(1) <b>Equity</b>			
(a) Equity share capital	16	8.51	8.51
(b) Other equity	17	354.23	302.62
(2) <b>Liabilities</b>			
<b>(I) Non - current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	0.81	0.98
(ia) Lease Liabilities	19	0.42	0.39
(ii) Other financial liabilities		-	-
(b) Provisions	20	0.38	0.05
(c) Deferred tax liabilities (net)	21	5.33	6.34
(d) Other non-current liabilities		-	-
<b>(II) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	22	30.49	17.65
(ia) Lease Liabilities	19	0.02	0.03
(ii) Trade payables			
(a) Total outstanding dues of the micro enterprises and small enterprises; and	23	18.91	3.99
(b) Trade payables other than micro enterprises and small enterprises	23	26.19	27.18
(iii) Other financial liabilities	24	0.83	2.23
(b) Other current liabilities	25	4.05	4.56
(c) Provisions	20	5.60	4.79
(d) Current Tax Liabilities (Net)	26	1.22	1.47
<b>Total Equity and Liabilities</b>		<b>457.00</b>	<b>380.79</b>

Significant accounting policies

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

(Shobhit Gupta)  
Partner  
M. No. 449146  
Place : Kanpur  
Date : 05/09/2023



*Chetan Bhatia*  
(Chetan Bhatia)  
Managing Director  
DIN: 00615001

*P. K. Agrawal*  
(Pawan Kumar Agrawal)  
G.M. (Finance)

*Manu Bhatia*  
(Manu Bhatia)  
Director  
DIN: 00615026

*Gaurav Anand*  
(Gaurav Anand)  
Company Secretary

# FRONTIER ALLOY STEELS LIMITED

CIN No. U27105UP1986PLC007967

(Amount in Crores)

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

	Notes	For the Year ended March 31, 2023	For the Year ended March 31, 2022
I Revenue from operations	27	376.04	313.75
II Other Income	28	0.28	0.24
III <b>Total income (I + II)</b>		<b>376.32</b>	<b>313.99</b>
IV <b>Expenses</b>			
Cost of materials consumed	29	184.76	156.67
Purchase of Stock-in-trade		-	-
Changes in inventories of finished goods, stock - in - trade and work - in - progress	30	(9.57)	6.37
Employee benefits expenses	31	29.93	29.26
Finance costs	32	1.84	0.50
Depreciation and amortization expenses	2,3,5	10.63	10.40
Other expenses	33	96.61	75.41
<b>Total expenses (IV)</b>		<b>314.19</b>	<b>278.61</b>
V <b>Profit/(loss) before exceptional items and tax</b>		<b>62.13</b>	<b>35.38</b>
VI Exceptional items		-	-
VII <b>Profit/(loss) before tax</b>		<b>62.13</b>	<b>35.38</b>
VIII Tax expense:			
(1) Current Tax		16.91	9.87
(2) Deferred Tax		(0.86)	(1.75)
IX <b>Profit (loss) for the period from continuing operation (VII-VIII)</b>		<b>46.08</b>	<b>27.26</b>
X <b>Profit/(loss) from discontinued operations</b>		-	-
XI <b>Tax Expense of discontinued operations</b>		-	-
XII <b>Profit/(loss) from discontinued operations (after tax) (X-XI)</b>		-	-
XIII <b>Profit/ (loss) for the period (IX + XII)</b>		<b>46.08</b>	<b>27.26</b>
XIV <b>Other Comprehensive Income</b>			
A. (i) Items that will not be re-classified to profit or loss			
Investment revalued through FVOCI		6.95	9.47
(ii) Income tax relating to items that will not be re-classified to profit or loss		0.15	(1.02)
B. (i) Items that may be re-classified to profit or loss:		-	-
(ii) Income Tax relating to items that may be reclassified to profit or loss		-	-
XV <b>Total Comprehensive Income for the period (XIII+XIV) Comprising Profit (Loss) and Other comprehensive income for the period</b>		<b>53.17</b>	<b>35.70</b>
XVI <b>Earning per equity share (for continuing operation):</b>			
(1) Basic		54.15	32.04
(2) Diluted		54.15	32.04
XVII <b>Earning per equity share (for discontinued operation):</b>			
(1) Basic		-	-
(2) Diluted		-	-
XVIII <b>Earnings per equity share (for discontinued &amp; continuing operation):</b>			
(1) Basic		54.15	32.04
(2) Diluted		54.15	32.04

See accompanying notes forming part of the financial statements

For Sudhindra Jain & Co.  
Chartered Accountants  
FRN : 0016140



(Shobhit Gupta)  
Partner  
M. No. 449146  
Place : Kanpur  
Date : 05/09/2023

*Chetan Bhatia*

(Chetan Bhatia)  
Managing Director  
DIN: 00615001

*P. K. Agrawal*  
(Pawan Kumar Agrawal)  
G.M. (Finance)

*Manu Bhatia*

(Manu Bhatia)  
Director  
DIN: 00615026

*Gaurav Anand*  
(Gaurav Anand)  
Company Secretary

**FRONTIER ALLOY STEELS LIMITED**  
Statement of Changes in Equity

**A. Equity Share Capital**

	March 31, 2022	Change during the year	March 31, 2023
Balance of Equity Share Capital	8.51	-	8.51
	8.51	-	8.51

**B. Other equity**

	Reserves and surplus				Other comprehensive income			Total		
	Capital reserve	Securities premium	Retained earnings	Capital redemption reserve	General reserve	Capital Subsidy	Equity instruments through other comprehensive income		Cash flow hedging reserves	Other
<b>Balance as at March 31, 2022</b>	-	1.22	283.16	-	-	0.30	-	-	17.94	302.62
Add : Profit for the year	-	-	46.08	-	-	-	-	-	-	46.08
Less: Income Tax for Earlier Years	-	-	0.09	-	-	-	-	-	-	0.09
Less: Amount Set aside for provision for Warranty Claim	-	-	(0.23)	-	-	-	-	-	-	(0.23)
Less: Amount Set aside for provision for Doubtful debts	-	-	-	-	-	-	-	-	-	-
Less : Dividend paid during the year	-	-	-	-	-	-	-	-	-	-
Add : Other comprehensive income (net of income tax)	-	-	1.70	-	-	-	-	-	7.10	1.70
<b>Balance as at March 31, 2023</b>	-	1.22	327.68	-	-	0.30	-	-	25.04	354.23

Note:

- (i) Securities premium: securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for
- (ii) Retained earnings represents the undistributed profits of the company.
- (iii) General reserve represents the statutory reserve, this is in accordance with Indian corporate law wherein a portion of profit is appropriated to general reserve. Under the erstwhile
- (iv) Capital redemption reserve represents the statutory reserve created when capital is redeemed.
- (v) Other comprehensive income(OCI) reserve represents the balance in equity for items to be accounted in other comprehensive income. OCI is classified in to i) items that will not be
- (vi) Capital reserve represents forfeited amount pertaining to funds raised through preferential allotment of equity share warrants and the same have been utilised for augmenting



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## Note 1: Significant Accounting Policies as at and for the year ended March 31, 2023

### Corporate Information

Frontier Alloy Steels Limited (the Company) is a public limited company incorporated and domiciled in India. The registered office of the Company is located at KM 25/5 & 6, Kalpi Road Rania Kanpur Dehat -209304 and its manufacturing facilities are located at Poanta Sahib, Kanpur and Malwan. The Company is mainly engaged in manufacturing diverse range of products which fall under four variants of rolling stock of Indian Railways. This includes essentially everything on a wagon, from couplers, buffers, bogies, wheels, draft gears, gear case, Pivot Housing, Control Arm, Pull push rod, Axle guide gearing, Wheel set guide. The Company caters to both domestic and export market.

### 1- Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the standalone financial statements.

#### a) Basis of Preparation

##### I. Compliance with Indian Accounting Standards

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant accounting principles generally accepted in India.

##### II. Current versus Non-current Classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criterion set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

##### III. Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Crore as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated.

##### IV. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions, based upon the best knowledge of current events and actions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of incomes and expenses during the reported period. Actual results may differ from those estimates. Any difference between the actual results and the estimates are recognized in the period in which the results are known/ materialized.

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## b) Property, plant and equipment

PPE represent a significant proportion of the asset base of the Company. Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. The cost of an asset includes the purchase cost of material, including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The charge in respect of periodic depreciation is derived using Straight Line Method after determining an estimate of an asset's expected useful life as per schedule-II of the Companies Act 2013 and the expected residual value at the end of its life.

Intangible assets are amortized over their estimated useful life as estimated by management on straight line basis, commencing from the date, the asset is available to the Company for its use.

On transition to Ind AS in financial year 2021-22, the company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01 2020, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

## c) Leases (As lessee)

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Under Ind AS, Leases are recognized as right of use assets with a correspondence liability for the unexpired lease period shown as Lease Liability under Financial Liabilities.

The company has applied the standard to all lease contracts existing on April 1, 2020 (date of transition) using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

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**d) Leases (As lessor)**

During the year under review, the company has given certain plant & machineries with a carrying cost of Rs. 5,16,46,108.40 on operating lease basis for a period of 24 months. Therefore necessary disclosures for machines leased out as at Balance Sheet date are produced as below in accordance with Ind AS-116.

(Rs in crores)

Sr. No	Particulars	FY 22-23	FY 21-22
1.	Gross Carrying amount of Plant & Machineries	5.16	5.16
2.	Accumulated depreciation on leased Plant & Machineries	2.16	1.50
3.	Depreciation recognized in the statement of profit & loss for the period	0.66	0.66
4.	Impairment losses recognized/reversed in the statement of profit & loss	0.00	0.00
5.	Future minimum lease payments for operating leases:		
	-In the aggregate	0.85	2.12
	-Not later than one Year	0.85	1.27
	-Later than one Year but not later than five years	0.00	0.85
	-Later than five years	0.00	0.00
6.	Contingent Rents recognized in the statement of profit & Loss	0.00	0.00
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.	

**e) Capital work-in-progress**

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

**f) Revenue recognition**

Revenue is recognized upon transfer of control of promised goods to customers (i.e. when performance obligation is satisfied i.e. dispatch from the point of sale) for an amount that reflects the consideration which the Company expects to receive in exchange for those products.

Revenue for sale of products mainly comprises of Railway Parts and components, where revenue is recognized at a point of time, when control of the asset is transferred to the customer, which generally occurs on receipts of dispatch memo / inspection certificate from customer or receiving of goods at customers' point as per terms of contract.

Revenue from service contracts are recognised in the accounting period in which the services are rendered. 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.

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Revenue is measured based on transaction price, which is the consideration, adjusted for trade discounts such as cash discounts, volume discounts or any other price concession as may be agreed with the customers. Revenues also excludes Goods and Services Tax (GST) or any other tax collected from customers.

**g) Other Income**

Other income comprises of primarily of Interest Income, Dividend Income, Gain/ (Loss) on sale of Investments, Rental Income and Claims.

- i. Interest Income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.
- ii. Dividend Income is recognized as and when right to receive payment is established provided, which is generally after the shareholders approves it in the Annual General Meeting.
- iii. Gain/ (Loss) on sale of Current/ Non-Current Investments are recognized at the time of redemption/ Sale and at Fair value at each reporting period.
- iv. Rent Income/Lease rentals are recognized on accrual basis in accordance with the terms of agreements

**h) 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 average cost basis.
- c) Stores, packing material and tools are valued at average cost basis.
- d) Goods in Transit are stated at actual cost incurred up to the date of Balance Sheet.

**i) Employee Benefits**

**i. Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

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**ii. Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

**iii. Leave Encashment**

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

**iv. Gratuity**

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 Ind AS-39.

**j) Earnings per share**

Basic earnings per share are calculated by dividing the profit/loss for the year (before other comprehensive income), attributable to the equity shareholders, by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are calculated by dividing the profit/(loss) for the year (before other comprehensive income), adjusting the after tax effect of interest and other financing costs associated with dilutive potential equity shares, attributable to the equity shareholders, by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

**k) Provisions, contingent liabilities, and contingent assets**

**Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation in respect of which reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

**Contingent liability**

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resource is remote. Provisions and contingent liabilities are reviewed at each balance sheet date.

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### **Contingent assets**

A contingent asset is not recognized but disclosed when probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### **l) Operating Segments**

The Company's operating segments are established on the basis of those components of the Company that are evaluated regularly by the Board of Directors (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified considering nature of products and services, the differing risks and returns and the internal business reporting systems.

Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Un-allocable". Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Un-allocable".

### **m) Cash Flow Statement**

Cash flows are stated using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of incomes and expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### **n) Borrowings**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates. However, the transaction costs/processing fees, which are insignificant in amount/nature are charged upfront to profit & loss account

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of liability for at least 12 months after the reporting period.

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**o) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

**(i) Financial Assets**

The Company uses the Business Model where

- 1) Financial asset is held by both collecting contractual cash flows & selling financial assets The financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Such Financial Assets have been measured at Fair value through Other Comprehensive Income.
- 2) The Financial asset is held to collect contractual cash flows and the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Such Financial Assets have been measured at Amortised Cost.

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed to statement of profit and loss.

**(ii) Financial liabilities**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value.

**p) Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses. The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences, tax credits and losses.

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The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

**q) Investments**

Under Ind AS, the company accounted for long term investment in unquoted and quoted equity shares and Mutual Funds as investment measured as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value. At the date of transition to Ind AS and all subsequent Balance Sheet Dates, difference between the instruments' fair value and Indian GAAP carrying amount has been recognized as other comprehensive income under retained earnings.

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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023(Contd..)

"2 Property, Plant and Equipment and Intangible Assets

Property, Plant and Equipment and Intangible Assets	Gross Block					Accumulated Depreciation					Net Block	
	Balance as at 31 March 2022	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Disposals	Balance as at 31 March 2023	Balance as at 31 March 2022	Depreciation charge for the year	Adjustments due to revaluations	On disposals	Balance as at 31 March 2023	Balance as at 31 March 2022
<b>a Property, Plant &amp; Equipment</b>												
Land	17.14	5.45	-	-	-	22.60	-	-	-	-	22.60	17.14
Buildings	19.11	-	-	-	-	19.11	5.77	0.54	-	-	12.80	13.34
Plant and Equipment	74.79	3.76	-	-	-	78.55	42.53	7.01	-	49.54	29.01	32.26
Electric Equipments	1.39	0.03	-	-	-	1.42	1.08	0.05	-	1.12	0.29	0.31
Electric Panel & Sub Station	4.79	-	-	-	-	4.79	1.19	0.36	-	1.56	3.23	3.59
Tools, Mould & Rolls	5.95	0.69	-	-	-	6.64	3.22	0.51	-	3.73	2.92	2.73
Lab Equipment	3.94	0.15	-	-	-	4.09	1.79	0.24	-	2.03	2.06	2.15
Fire Fighting Equipment	0.07	-	-	-	-	0.07	0.02	0.01	-	0.03	0.04	0.05
Generator	1.04	-	-	-	-	1.04	0.64	0.17	-	0.81	0.24	0.41
Office equipment	2.24	0.33	-	-	-	2.57	1.55	0.22	-	1.77	0.80	0.69
Furniture and Fixtures	0.96	0.26	-	-	-	1.23	0.47	0.09	-	0.55	0.67	0.50
Vehicles	7.99	0.83	-	-	0.79	8.04	3.18	0.93	-	3.60	4.44	4.81
Computer & Peripherals	1.26	0.12	-	-	-	1.38	0.96	0.15	-	1.11	0.27	0.31
<b>Total</b>	<b>140.68</b>	<b>11.63</b>	<b>-</b>	<b>-</b>	<b>0.79</b>	<b>151.52</b>	<b>62.40</b>	<b>10.27</b>	<b>-</b>	<b>72.16</b>	<b>79.36</b>	<b>78.28</b>



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"3" Right-of-Use Assets

Particulars	Amount
As at 31.03.2022	0.46
Additions	-
Disposals	-
Amortisation for the year	0.02
<b>As at 31.03.2023</b>	<b>0.44</b>

"4" Capital Work In Progress

Particulars	Balance as at 31 March 2022	Gross Block			Balance as at 31 March 2023
		Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	
CWIP- Building	1.31	3.83	-	-	5.14
CWIP Software	-	-	-	-	-
CWIP- Plant & Machinery	-	-	-	-	-
CWIP- Electric Installation	0.26	-	-	0.26	-
<b>Total</b>	<b>1.57</b>	<b>3.83</b>	<b>-</b>	<b>0.26</b>	<b>5.14</b>

Particulars	Balance as at 31 March 2022	Accumulated Depreciation			Balance as at 31 March 2023
		Depreciation charge for the year	Adjustment due to revaluations	On disposals	
CWIP- Building	-	-	-	-	1.31
CWIP Software	-	-	-	-	-
CWIP- Plant & Machinery	-	-	-	-	-
CWIP- Electric Installation	-	-	-	-	0.26
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.57</b>

Additional Disclosures-

i) CWIP Ageing Schedule as on March 31, 2023

Particulars	Less than 1 Year	1-2 Year	2-3 Year	More Than 3 Year	Total as on 31.03.2023
CWIP- Building	3.83	0.35	0.45	0.50	5.14
CWIP- Plant & Machinery	-	-	-	-	-
CWIP- Electric Installation	-	-	-	-	-
<b>Total</b>	<b>3.83</b>	<b>0.35</b>	<b>0.45</b>	<b>0.50</b>	<b>5.14</b>

ii) CWIP Ageing Schedule as on March 31, 2022

Particulars	Less than 1 Year	1-2 Year	2-3 Year	More Than 3 Year	Total as on 31.03.2022
CWIP- Building	0.35	0.45	0.50	-	1.31
CWIP- Plant & Machinery	0.26	-	-	-	0.26
CWIP- Electric Installation	0.62	0.45	0.50	-	1.57



*J. U. S. M.*

Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023(Contd..)

"5" - Intangible assets

Particulars	Software Licence	Total
<b>Gross Carrying Amount</b>		
As at 31-03-2022	2.02	2.02
Additions	-	-
<b>As at 31-03-2023</b>	<b>2.02</b>	<b>2.02</b>
	-	
<b>Amortization</b>		
As at 31-03-2022	1.19	1.19
Charges for the year	0.34	0.34
<b>As at 31-03-2023</b>	<b>1.53</b>	<b>1.53</b>
<b>Net Block</b>		
As at 31-03-2022	0.83	0.83
As at 31-03-2023	0.49	0.49

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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023(Contd..)

"7" - Other Financial Assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Interest Receivable on Bank Deposits	-	0.10	-	0.09
Non Current Bank Balance (See Note 13)	-	-	-	-
Security Deposits	0.40	-	0.39	-
Claim Receivable from NHAI (Construction)	-	0.23	-	0.23
BG Amount Deposit Under Protest (VSKP)	-	0.08	-	0.08
GST Deposit Under Protest	-	0.01	-	0.01
Award Given Under Protest	-	0.01	-	0.01
Insurance Claim Receivable	-	0.07	-	0.04
ESI Claim Receivable	-	0.01	-	-
Earnest Money With Railway	-	0.43	-	0.03
Stipend Claim Receivable	-	0.03	-	-
B.G. Claim Period Charges recoverable	-	0.01	-	0.01
ICICI Bank (Wrong Charges Recoverable)	-	-	-	0.01
Yes Bank (Receivable Against Wrong Charges)	-	0.00	-	0.00
HDFC Bank (Receivable Against Wrong Charges)	-	0.00	-	0.00
<b>Total</b>	<b>0.40</b>	<b>0.99</b>	<b>0.39</b>	<b>0.52</b>



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023(Contd..)

"8" - Deferred Tax Asset

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A) Deferred Tax Asset :</b>		
i) On account of timing difference of expenses which are allowable under Income Tax Laws in subsequent years	-	-
Provision for Earned Leave	-	-
Provision for Bonus	-	-
Provision for Gratuity	-	-
ii) IND As Adjustments		
iii) On account of carried forward losses and unabsorbed depreciation		
<b>B) 'Deferred Tax Liability :</b>		
i) On account of differences in book depreciation and tax depreciation	-	-
ii) IND As Adjustments	-	-
a) Investment revaluation	-	-
<b>C) MAT credit entitlement</b>		
MAT credit entitlement	-	-
<b>Deferred Tax Asset</b>	<b>-</b>	<b>-</b>



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023(Contd..)

"9" - Other Non Current / Current Assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Capital advances	1.41	-	3.39	-
Warranty Deduction pending recovery	-	0.38	-	0.23
Advance to employees(travelling & expenses)	-	0.01	-	0.03
Advance to suppliers	-	1.72	-	3.55
GST TDS Refundable	-	0.38	-	0.45
Advance with GST	-	0.60	-	0.76
Prepaid Expenses	-	0.51	-	0.65
<b>Total</b>	<b>1.41</b>	<b>3.60</b>	<b>3.39</b>	<b>5.69</b>

"10" - Inventories

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
(Valued at lower of cost and net realisable value)				
Raw materials	41.73	24.84		
Goods-in-process	21.20	14.76		
Finished goods	6.66	3.54		
LSHS Oil	0.22	0.31		
Stores and spares	5.32	3.60		
Packing Material	0.10	0.09		
<b>Total</b>	<b>75.23</b>	<b>47.13</b>		

Inventories are stated at the lower of cost and net realisable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of inventories comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost are assigned to individual items of inventory on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Cost of raw materials and components consumed is a derived figure out of opening stock, closing stock and purchases including adjustment if any during the period.



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Notes to Financial Statements for the year ended 31 March 2023(Contd..)

"11" - Trade Receivables

Particulars	Outstanding for following periods from due date of payment						Total
	As at 31.03.2023						
	> 6 M	6 M-1 Y	1-2 Y	2-3 Y	> 3 Y		
(i) Undisputed Trade Receivable (Considered Good)	77.64	0.18	0.05	-	0.05	-	77.92
(ii) Undisputed Trade Receivable (Considered Doubtful)	-	-	-	-	-	-	-
(iii) Disputed Trade Receivable (Considered Good)	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable (Considered Doubtful)	-	-	-	-	-	-	-
Provision for Doubtful Debt	-	-	-	-	-	-	0.62
<b>Total</b>	<b>77.64</b>	<b>0.18</b>	<b>0.05</b>	<b>-</b>	<b>0.05</b>	<b>0.36</b>	<b>78.22</b>

"12" - Cash and cash equivalents

Particulars	As at 31.03.2022						Total
	As at 31.03.2022						
	> 6 M	6 M-1 Y	1-2 Y	2-3 Y	> 3 Y		
(i) Undisputed Trade Receivable (Considered Good)	50.42	0.19	0.14	0.31	-	-	51.06
(ii) Undisputed Trade Receivable (Considered Doubtful)	-	-	-	-	-	-	-
(iii) Disputed Trade Receivable (Considered Good)	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable (Considered Doubtful)	-	-	-	0.12	0.50	-	0.62
Provision for Doubtful Debt	-	-	-	-	-	-	(0.31)
<b>Total</b>	<b>50.42</b>	<b>0.19</b>	<b>0.14</b>	<b>0.42</b>	<b>0.19</b>	<b>0.19</b>	<b>51.37</b>

"13" - Bank Balances other than (iii) above

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Cash on hand	0.01	0.02
Current Accounts	0.25	5.13
<b>Total</b>	<b>0.26</b>	<b>5.15</b>

"13" - Bank Balances other than (iii) above

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks :		
On unpaid dividend account		
Deposits pledged against margin money/guarantee		3.77
Deposits earmarked for Fixed Deposit	3.96	
Deposits earmarked for Molasses Storage Fund		
Non Current Bank Balance (See Note 7)		
<b>Total</b>	<b>3.96</b>	<b>3.77</b>



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023(Contd..)

"14" - Loans

	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Current - Loans unsecured, considered good: Loans and Advances to employees	-	0.14	-	0.13
<b>Total current loans</b>	-	<b>0.14</b>	-	<b>0.13</b>

"15" - Income Tax Asset

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Advance Income Tax				
Income Tax (Adjusted Ag Demand) - A.Y. 17-18				
Income Tax (Adjusted Ag Demand) - A.Y. 18-19				
Income Tax Refund Ay-10-11 (Adj AY-07-08)				
Income Tax Refund AY 10-11 (Adj AY-09-10)				
Income Tax Refund Receivable AY-2019-20				
Income Tax Refund Receivable AY-2020-21				
Less: Provision for tax				
<b>Total</b>	-	-	-	-



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023(Contd..)

"16" - Share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No.	(₹)	No.	(₹)
<b>Authorized</b>				
6% preference shares of Rs.100/- each	15,000.00	0.15	15,000.00	0.15
Equity Shares of Rs.10/- each	1,18,50,000.00	11.85	1,18,50,000.00	11.85
<b>Issued</b>				
6% preference shares of Rs.100/- each	-	-	-	-
Equity Shares of Rs.10/- each	85,08,498.00	8.51	85,08,498.00	8.51
<b>Subscribed &amp; Paid up</b>				
6% preference shares of Rs.100/- each	-	-	-	-
Equity Shares of Rs.10/- each fully paid	85,08,498.00	8.51	85,08,498.00	8.51
<b>TOTAL</b>		<b>8.51</b>		<b>8.51</b>

"16.a" - Reconciliation of shares outstanding at the beginning and at the end of the reporting period is set out below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No.	(₹)	No.	(₹)
<b>Authorized shares</b>				
<b>Equity shares</b>				
At the beginning of the period		11.85		11.85
Added during the year	1,18,50,000.00	-	1,18,50,000.00	-
Outstanding at the end of the period	1,18,50,000.00	11.85	1,18,50,000.00	11.85
<b>Preference shares</b>				
At the beginning of the period		0.02		0.02
Added during the year	15,000.00	-	15,000.00	-
Outstanding at the end of the period	15,000.00	0.02	15,000.00	0.02
<b>Issued, subscribed and paid-up shares</b>				
<b>Equity shares</b>				
At the beginning of the period		8.51		8.51
Issued during the period	85,08,498.00	-	85,08,498.00	-
Outstanding at the end of the period	85,08,498.00	8.51	85,08,498.00	8.51

"16.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.



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023(Contd..)

"16.c" - Details of Shares held by holding company or ultimate holding company including shares held by subsidiaries or associates of the holding company or ultimate holding company in aggregate. The Company is not a holding, ultimate holding or subsidiary company of any other company, hence disclosure of share held by these company is not applicable to the Company.

" 16.d" - Details of shareholders holding more than 5% shares : Preference Shares

Name of Shareholder	As at 31 March 2023		As at 31 March 2022	
	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 2023		As at 31 March 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kundan Lal Bhatia	729525	8.57	729525	8.57
Subhash Chand Bhatia	765250	8.99	765250	8.99
Chetan Bhatia	1154175	13.56	1154175	13.56
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

" 16.e" - Details of Shares held by promoters at the end of the Year

Name of Promoter	As at 31 March 2023		% of Changes during the year	As at 31 March 2022		% of Changes during the year
	No. of Shares	% of Total Shares		No. of Shares	% of Total Shares	
Kundan Lal Bhatia	729525	8.57	Nil	729525	8.57	Nil
Subhash Chand Bhatia	765250	8.99	Nil	765250	8.99	Nil
Chetan Bhatia	1154175	13.56	Nil	1154175	13.56	Nil
Chandan Bhatia	784240	9.22	Nil	784240	9.22	Nil
Manu Bhatia	808168	9.50	Nil	808168	9.50	Nil
Sushma Bhatia	512830	6.03	Nil	512830	6.03	Nil
Priya Bhatia	823425	9.68	Nil	823425	9.68	Nil
Sonia Bhatia	766925	9.01	Nil	766925	9.01	Nil
Preeti Bhatia	819325	9.63	Nil	819325	9.63	Nil



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023(Contd..)

"17"Other Equity

Particulars	As at 31 March 2023	As at 31 March 2022
<b>a. Capital Reserves</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year Closing Balance	-	-
<b>b. Securities Premium</b>		
Opening Balance	1.22	1.22
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
Premium on Redemption of Debentures For Issuing Bonus Shares	-	-
Closing Balance	1.22	1.22
<b>c. Central Capital Subsidy</b>		
Opening Balance	0.30	0.30
(+) Current Year Transfer	-	-
(-) Written Back in Current Year Closing Balance	0.30	0.30
<b>d. Investment Allowance Reserve</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year Closing Balance	-	-
<b>e. Retained Earnings</b>		
Opening balance	301.10	265.51
(+) Net Profit/(Net Loss) For the current year	46.08	27.26
(+) Transfer from Reserves	-	-
(+) Transfer from Provision for Doubtful debt	-	-
(-) Dividends	1.70	-
(-) Tax on Dividends	-	-
(-) Income Tax for Earlier Years	0.09	(0.00)
(-) Interim Dividends	-	-
(-) Amount Set aside for provision for Warranty Claim	(0.23)	0.05
(-) Amount Set aside for provision for Doubtful debts	-	0.06
(-) Transfer to Reserves	-	-
(+) Investments valued at fair value through other comprehensive income (net of tax)	7.10	8.44
Closing Balance	352.71	301.10
<b>Total</b>	<b>354.23</b>	<b>302.62</b>



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023(Contd..)

"18" - Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Secured</b>		
<b>(a) Term loans From Bank</b>		
HDFC Bank Ltd (Secured By mortgage of vehicle under finance) Terms of Repayment- An EMI of Rs. 88307/- is payable on this loan Less : Amount Disclosed under the head "Current Financial Liabilities - Borrowings"	0.30 - - (0.08)	- - - -
HDFC Bank Ltd (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 "Current Financial Liabilities - Borrowings"	0.20 - - (0.10)	0.29 - - (0.09)
HDFC Bank Ltd (Secured By mortgage of vehicle under finance) Terms of Repayment- An EMI of Rs. 143484/- is payable on this loan Less : Amount Disclosed under the head "Current Financial Liabilities - Borrowings"	0.36 - - (0.15)	0.50 - - (0.14)
HDFC Bank Ltd (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 "Current Financial Liabilities - Borrowings"	- - - -	0.05 - - -
HDFC Bank Ltd (Secured By mortgage of vehicle under finance) Terms of Repayment- An EMI of Rs. 136513/- is payable on this loan Less : Amount Disclosed under the head "Current Financial Liabilities - Borrowings"	0.43 - - (0.13)	0.55 - - (0.13)
<b>Total</b>	<b>0.81</b>	<b>0.98</b>

"19" Lease Liability

	As at March 31, 2023	As at March 31, 2022
Current Lease Liability	0.02	0.03
Non Current Liability	0.42	0.39
<b>Total</b>	<b>0.44</b>	<b>0.42</b>



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023(Contd..)

"20" - Provisions

Particulars	Long Term		Short Term	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
<b>Others (Specify nature)</b>				
Provision for Liquidated Damages	-	-	0.45	0.01
Provision for SVC	-	-	0.00	0.01
Provision for Warranty Claim	-	-	0.23	0.46
Provision for Expenses	-	-	2.23	1.91
Employee Benefit Obligations	0.38	0.05	2.70	2.41
<b>Total</b>	<b>0.38</b>	<b>0.05</b>	<b>5.60</b>	<b>4.79</b>

"21" - Deferred Tax Liability/(Asset) (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A) Deferred Tax Asset :</b>		
i) On account of timing difference of expenses which are allowable under Income Tax Laws in subsequent years		
Provision for Earned Leave	0.14	0.14
Provision for Bonus	0.25	0.20
Provision for Gratuity	0.10	0.01
ii) IND As Adjustments		
iii) On account of carried forward losses and unabsorbed depreciation	0.49	0.36
<b>B) 'Deferred Tax Liability :</b>		
i) On account of differences in book depreciation and tax depreciation	1.91	2.64
ii) IND As Adjustments	-	-
a) Investment revaluation	3.91	4.06
<b>C) MAT credit entitlement</b>	5.82	6.70
MAT credit entitlement		
<b>Net Deferred Tax Liability/ (Asset) Net</b>	<b>5.33</b>	<b>6.34</b>



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023(Contd..)

"22" - Short-term borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Secured</b>		
(a) Loans repayable on demand		
from ICICI Bank Limited *	18.39	13.25
from HDFC Bank Limited **	4.74	-
from Yes Bank Limited ***	-	0.19
from Kotak Mahindra Bank Limited A/c No. 1314185339 ****	-	0.02
from HDFC Bank Limited A/c No. 50200049867221*****	-	3.78
from Axis Bank Ltd A/c No. 922030067822403*****	6.89	-
Current maturities of long term borrowings (See note 18)	0.47	0.41
<b>Total</b>	<b>30.49</b>	<b>17.65</b>

\* 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

\*\* (Cash Credit facility availed from HDFC 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)

\*\*\*\* (Cash Credit facility availed from Yes 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 Personal Property of one of the director, pledge of FDR and personal guarantee of three directors of the Company)

\*\*\*\*\* (Over Draft facility availed from Kotak Mahindra Bank Limited Kanpur, secured by pledge of Mutual Funds)

\*\*\*\*\* (Over Draft facility availed from HDFC Bank Limited Paonta Sahib, secured by pledge of Mutual Funds)

\*\*\*\*\* (Over Draft facility availed from Axis Bank Limited Paonta Sahib, secured by pledge of Mutual Funds)



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023(Contd..)

"23" - Trade Payables

Trade Payable Ageing Schedule

Particulars	Outstanding for following periods from due date of payment				
	AS at 31.03.2023				
	> 1 year	1-2 years	2-3 years	< 3 year	Total
(i) MSME	18.91	-	-	-	18.91
(ii) Others	26.18	0.01	-	-	26.19
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- other	-	-	-	-	-
<b>Total</b>	<b>45.10</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>45.10</b>

Particulars	Outstanding for following periods from due date of payment				
	AS at 31.03.2022				
	> 1 year	1-2 years	2-3 years	< 3 year	Total
(i) MSME	3.99	-	-	-	3.99
(ii) Others	27.18	-	-	-	27.18
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- other	-	-	-	-	-
<b>Total</b>	<b>31.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31.18</b>

"24" - Other Financial Liabilities

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
	Interest accrued but not due on borrowings	-	0.01	-
Unpaid dividend	-	0.03	-	0.02
Staff security	-	0.06	-	0.06
Credit balance in Current Accounts with Bank	-	-	-	-
Sukanya Samridhi Yojana Payable	-	0.00	-	0.00
Directors' Remuneration Payable	-	0.68	-	2.10
Staff Payables	-	0.05	-	0.04
<b>Total</b>	<b>-</b>	<b>0.83</b>	<b>-</b>	<b>2.23</b>



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023(Contd..)

<b>"25" - Other Current Liabilities</b>		<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
<b>Particulars</b>			
Advance Received from Customers		0.02	0.55
GST Payable		2.30	3.08
TDS & TCS Payable		0.86	0.54
Creditors for Assets		0.86	0.39
<b>Total</b>		<b>4.05</b>	<b>4.56</b>

**"26" -Income Tax Liabilities**

<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Provision for Income Tax	16.91	9.87
Less:		
Advance Income Tax		8.15
Income Tax (Adjusted Ag Demand) - A.Y. 17-18	15.42	0.00
Income Tax (Adjusted Ag Demand) - A.Y. 18-19	0.00	0.00
Income Tax Refund AY-10-11 (Adj AY-07-08)	0.00	0.00
Income Tax Refund AY 10-11 (Adj AY-09-10)	-	0.02
Income Tax Refund AY 20-21 (Adj AY-09-10)	-	0.06
Income Tax Refund Receivable AY-2009-10	0.28	-
Income Tax Refund Receivable AY-2021-22	-	0.16
<b>TOTAL</b>	<b>1.22</b>	<b>1.47</b>



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023(Contd..)

"27" - Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue from operations</b>		
Sale of products	371.87	311.92
Sale of services	0.72	0.06
Other operating revenues	0.00	-
-Freight Realised on Sales	2.04	1.06
-Packing Realised on Sales	0.01	0.00
-Export Incentive	0.11	-
Rental on Leased Assets	1.28	0.71
<b>Total</b>	<b>376.04</b>	<b>313.75</b>

"28" - Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income (in case of a company other than a finance company)	0.26	0.23
Dividend Income	0.00	0.00
Net gain/loss on sale of investments	0.02	-
Other non-operating income (net of expenses directly attributable to such income)	-	0.01
<b>Total</b>	<b>0.28</b>	<b>0.24</b>



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023(Contd..)

"29" - Cost of Raw materials consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Stock	24.84	21.53
Add:	-	-
Purchases	196.10	155.01
Custom Clearing Expenses	0.05	0.03
Freight & Cartage	3.91	3.51
Material Procurement Charges	0.14	-
Packing Expenses	1.45	1.42
Less: Closing Stock	226.49	181.51
<b>sub-total</b>	<b>41.73</b>	<b>24.84</b>
<b>Total</b>	<b>184.76</b>	<b>156.67</b>

"30" - (Increase)/Decrease in inventories

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock of Finished Goods	3.54	7.27
Opening stock of Work-in-Progress	14.76	17.39
<b>Sub-total</b>	<b>18.29</b>	<b>24.66</b>
Closing stock of Finished Goods	6.66	3.54
Closing stock of Work-in-Progress	21.20	14.76
<b>Sub-total</b>	<b>27.86</b>	<b>18.29</b>
(Increase)/decrease in Finished Stock & WIP	<b>(9.57)</b>	<b>6.37</b>



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023(Contd..)

"31" - Employees benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Salaries and incentives	27.12	27.61
(b) Contributions to -	-	-
(i) Provident fund	1.10	1.06
(ii) Superannuation scheme	1.11	0.05
(c) Gratuity fund contributions	-	-
(d) Social security and other benefit plans for overseas employees	-	-
(e) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP),	0.60	0.53
(f) Staff welfare expenses	29.93	29.26
<b>Total</b>		

"32" - Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense	1.76	0.40
Other borrowing costs	-	-
Applicable net gain/loss on foreign currency transactions and translation	0.04	0.07
Finance cost on Lease Liabilities	0.04	0.04
<b>Total</b>	<b>1.84</b>	<b>0.50</b>



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023(Contd..)

"33" - Other expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>(A) Manufacturing Expenses</b>		
Consumable Stores Consumed	22.08	16.56
Power & Fuel Expenses	24.89	20.85
Job Work Charges	15.90	12.49
Laboratory Expenses	0.04	0.07
Machinery Maintenance	4.99	3.62
Production Incentive	0.05	0.10
Safety Expenses	0.09	0.09
Testing Expenses	1.30	0.61
Design Expenses	0.22	0.05
Workshop Maintenance	1.16	0.79
Mould, Gauge & Pattern Expenses	0.39	0.45
<b>Sub-total (A)</b>	<b>71.09</b>	<b>55.69</b>



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023(Contd..)

"33" - Other expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>(B) Administrative Expenses</b>		
Advertisement & Publicity Expenses	0.19	0.19
Audit Fees- Statutory and Tax Audit	0.02	0.02
Audit Fees- GST Audit	-	-
Audit Fees- Internal Audit	0.05	0.02
Audit Fees- Stock	0.01	0.00
Audit Fees- Cost Audit	0.20	0.01
Bank Charges	0.20	0.19
Books & Periodicals	0.00	0.00
Building Repairing & Maintenance	0.18	0.16
Credit Rating Charges	0.00	0.00
Computer Expenses	0.07	0.05
Corporate Social Responsibility	1.93	1.72
Conveyance	0.03	0.02
Director Sitting Fees	0.02	0.01
Donation	0.03	0.06
Filing Fees	0.00	0.00
Gardening Expenses	0.02	0.05
General Repair and Maintenance	0.07	0.05
Insurance Expenses	0.19	0.20
Internet Expenses	0.04	0.03
Late Fees GST	0.00	0.00
Legal Charges	0.03	0.02
Loss on sale of Asset	0.03	-
Membership & Subscription	0.01	0.02
Miscellaneous Expenses	0.01	0.01
Maintenance charges (U.P.S.I.D.C)	0.02	0.02
NPS (POP & CRA Charges)	0.00	0.00
Office Maintenance	0.06	0.03
Poojan Expenses	0.04	0.06
Postage & Courier Expenses	0.02	0.01
Printing & Stationery	0.12	0.09
Professional & Consultancy Charges	0.23	0.24
Rates & Taxes	0.00	0.00
Recruitment Expenses	-	0.00
Retainership Expenses	0.13	0.11
Registration Fees & Licence Fees	0.06	0.05
Rent	0.05	0.05
SAP Expenses	0.39	0.40
Share Maintenance Charges	0.00	0.00
Sundry Balance written off(back)	(0.01)	(0.03)
Telephone Expenses	0.04	0.04
Training & Seminars Expenses	0.03	0.05
Travelling & Conveyance Expenses	1.25	0.83
Travelling Expenses(Director Foreign)	0.21	0.03
Vehicle Running & Maintenance Expenses	0.61	0.54
Watch & Ward	1.13	0.96
Weight & Measurement Expenses	0.02	0.01
<b>Sub-total (B)</b>	<b>7.53</b>	<b>6.34</b>



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023(Contd..)

"33" - Other expense

(C) Selling & Distribution Expenses	For the year ended March 31, 2023	For the year ended March 31, 2022
Liquidated Damages	0.90	0.43
SVC Deduction	0.03	0.19
Miscellaneous Deduction by Railway	0.00	0.01
Royalty Expenses	3.64	2.49
Tds Gst Short Recovered	-	0.08
Tender Fees	0.00	0.00
Inspection Fees	0.11	0.06
Custom Handling Charges	0.03	-
Entertainment / Business Promotion Expenses	0.41	0.28
Commission & Brokerage	4.89	3.96
Freight & Cartage Outward	7.86	5.84
Warranty Claims	0.11	0.03
Sample Issued	0.00	0.01
<b>Sub-total (C)</b>	<b>17.98</b>	<b>13.39</b>
<b>Total</b>	<b>96.61</b>	<b>75.41</b>

Additional Informations

Payments to the auditor as	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>a. auditor</b>		
(i) Statutory & Tax Audit Fee	0.02	0.02
<b>b. for taxation matters</b>	-	-
<b>c. for company law matters</b>	-	-
<b>d. for management services</b>	-	-
<b>e. for other services</b>	0.01	-
<b>f. for reimbursement of expenses</b>	0.00	0.00
<b>Total</b>	<b>0.03</b>	<b>0.02</b>



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**Frontier Alloy Steels Limited****Notes to Financial Statements for the year ended 31 March 2023 (Contd..)****34 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 2023	As at 31st March 2022
a) Profit for the year after tax	46.08	27.26
Weighted average Number of shares outstanding during the year	85,08,498.00	85,08,498.00
b) Earnings per share (Basic and Diluted)	54.15	32.04
Face Value per Share	10.00	10.00

**35 Contingent Liabilities**

Particulars	As at 31st March 2023	As at 31st March 2022
a) Claim against the Company not acknowledged as debt	0.77	0.77
b) Excise Duty Matters under dispute-Appeal by Company	-	-
c) Service Tax Matters under dispute-Appeal by Company	-	-
<b>Total</b>	<b>0.77</b>	<b>0.77</b>

**36 Capital and Other Commitments**

Particulars	As at 31st March 2023	As at 31st March 2022
a) Capital Commitments, net of capital advances	1.83	2.85
b) Other Commitments *	-	2.57
<b>Total</b>	<b>1.83</b>	<b>5.41</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.



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023 (Contd..)

37 Value of Imports calculated on CIF Basis

Particulars	As at 31st March 2023	As at 31st March 2022
a) Component	13.17	7.79
b) Capital Goods	-	-
<b>Total</b>	<b>13.17</b>	<b>7.79</b>

38 Expenditure in Foreign Currency

Particulars	As at 31st March 2023	As at 31st March 2022
a) Purchase of part of asset	-	0.07
<b>Total</b>	<b>-</b>	<b>0.07</b>

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

Particulars	As at 31st March 2023	Percentage	As at 31st March 2022	Percentage
<b>Raw Material and Components</b>				
Imported	9.06	4.91%	9.69	6.19%
Indigenous	175.70	95.09%	146.97	93.81%
<b>Total</b>	<b>184.76</b>	<b>100.00%</b>	<b>156.67</b>	<b>100.00%</b>
<b>Spare Parts</b>				
Imported	-	0.00%	0.07	1.86%
Indigenous	4.99	100.00%	3.55	98.14%
<b>Total</b>	<b>4.99</b>	<b>100.00%</b>	<b>3.62</b>	<b>100.00%</b>

40 Earnings in Foreign Currency

Particulars	As at 31st March 2023	As at 31st March 2022
F.O.B Value of Exports (in INR)	8.93	0.74
<b>Total</b>	<b>8.93</b>	<b>0.74</b>



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023 (Contd..)

41 Segment Information

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

Particulars	As at 31st March 2023		As at 31st March 2022	
	Kanpur		Kanpur	
	Paonta Sahib		Paonta Sahib	
Segment Revenue				
External Sales of Product	281.75	89.07	252.54	58.64
External Sales of Services	0.72	-	0.06	-
Other Operating Revenues	2.71	0.73	1.52	0.25
Other income	0.28	0.00	0.23	0.01
Capital Expenditure	3.07	8.56	8.01	4.32



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023 (Contd..)

42 Financial instruments  
Financial assets

Sl.No	Particulars	As at March 31, 2023		As at March 31, 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
1	Financial assets designated at fair value through other comprehensive income Investment in mutual funds	178.41	207.35	160.12	182.12
2	Financial assets designated at amortised cost				
	a) Trade receivables	78.22	78.22	51.37	51.37
	b) Loans	0.14	0.14	0.13	0.13
	c) Security deposit	0.40	0.40	0.39	0.39
	d) Other financial assets	0.99	0.99	0.52	0.52
		<b>258.15</b>	<b>287.10</b>	<b>212.53</b>	<b>234.53</b>

Financial liabilities

Sl.No	Particulars	As at March 31, 2023		As at March 31, 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
1	Financial liability designated at amortised cost				
	Borrowings	31.30	31.30	18.63	18.63
	Trade payables	45.10	45.10	31.18	31.18
	Other financial liabilities	0.83	0.83	2.23	2.23
		<b>77.24</b>	<b>77.24</b>	<b>52.04</b>	<b>52.04</b>

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Valuation of investment has been done on the basis of latest available financials with the Company.



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**Frontier Alloy Steels Limited**

**Notes to Financial Statements for the year ended 31 March 2023 (Contd..)**

**43 Financial risk management objectives and policies**

**Financial risk factors**

The Company's principal financial liabilities includes borrowings, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's assets and operations. The Company's principal financial assets include trade receivables, cash and cash equivalents and other financial assets that are derived directly from its operations. The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks and the appropriate financial risk governance framework for the Company is in place. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that derivatives whenever used are used exclusively for hedging purposes and not for trading or speculative purposes. The Audit Committee and the Board are regularly apprised of these risks every quarter and each such risk and mitigation measures are extensively discussed and the same are summarized below:

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. One of the market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

**A. Credit risk :**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, thereby leading to a financial loss. The Company's sales are majorly to Indian railways, thereby the credit default risk is significantly mitigated.

As the company is dealing mostly with the government customers, there is minimal chances of credit risk that counterparty will not meet its obligation. However, a moderate risk is associated with advances given to supplier.

	Upto 1 year	More than 1 year	Total
As at March 31, 2023	77.82	0.40	78.22
As at March 31, 2022	50.61	0.75	51.37

**B. Liquidity risk :**

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of term loan, cash credit facilities, short term loans and others.

Moreover, the company has invested a considerable amount in mutual fund therefore there is very low possibility of liquidity risk

**C. Market risk :**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate consequent up on changes in market prices. It mainly comprises of regulatory risk, commodity price risk & interest rate risk.

**D. Interest rate risk :**

Interest rate risk is a risk that the fair value of future cash flows will be impacted because of the changes in the market interest rates.

The financial cost as shown in profit and loss account includes interest paid to banks, which are linked to variable MCLR, However net impact of increase or decrease in MCLR is negligible and therefore interest rate risk associated with the same is immaterial

**E. Equity price risk and Commodity price risk:**

A risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer, or by factors affecting all similar financial instruments traded in the market is defined as Equity Price Risk

The Company does not invest in commodities and is not exposed to commodity price risk

**F. Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Company's Capital Management is to maximise the shareholder's value. Management also monitors the return on capital. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

Particulars	As at March 31, 2023	As at March 31, 2022
Total debt	31.30	18.63
Less: cash and cash equivalents & other bank balances	(4.22)	(8.92)
Net debt	27.08	9.72
Total equity	362.74	311.13
Gearing Ratio { net debt / (equity + net debt)}	0.07	0.03



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023 (Contd..)

44 Disclosure of transaction with related parties

PARTICULARS		2023		2022	
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)	Rent	0.02	0.00	0.02	0.00
Mr. C.D Bhatia (Chairman) (Also key managerial personnel)	Remuneration Rent	- -	- -	- -	- -
Mr. S.C Bhatia (Director) (Also key managerial personnel)	Remuneration	0.67	0.00	0.73	0.06
Mr. Chetan Bhatia (Managing Director) (Also key managerial personnel)	Remuneration Rent	2.64 0.02	0.13 -	3.09 0.02	0.39 -
Mr. Chandan Bhatia (Director) (Also key managerial personnel)	Remuneration	2.67	0.19	3.21	0.36
Mr. Manu Bhatia (Director works) (Also key managerial personnel)	Remuneration	2.73	0.07	3.21	0.30
Mrs. Sonia Bhatia (Director works) (Also key managerial personnel)	Remuneration	1.87	0.17	1.88	0.30
Mrs. Priya Bhatia (Director)	Remuneration	1.85	0.12	1.92	0.34
Mrs. Preeti Bhatia (Director)	Remuneration	-	-	1.92	0.35
Mr. Kushagra Bhatia	Salary	-	-	-	-
Mr. P.M. Gupta (Director)	Sitting fee	0.01	-	0.01	-
Mr. Yash Pal(Director)	Sitting fee	0.01	-	0.01	-
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 Job Work Charges Sale Job Work Income	12.22 - - -	2.73 - - -	6.74 0.00 0.08 -	1.03 - - -
Frontier Springs	Commission Paid	0.65	0.31	0.95	0.23
Frontier Engineering Corporation	Purchase Asset Purchased Job Work Expense Sale Job Work Income	2.03 - 3.50 0.26 -	1.19 - - - -	2.42 - 2.45 0.57 0.00	0.47 - - - -
N.W.F.P Equipments Pvt. Ltd.	Jobwork Charges Purchase Sales Rent Recived Royalty Income	6.39 16.75 9.20 1.28 0.48	- - 2.55 - -	5.60 30.10 10.70 0.71 0.06	- - 1.31 - -
Ekalavya Rail Private Limited	Purchase Sale Job Work Sales of assets	8.84 2.01 0.84 0.00	0.44 - - -	7.49 1.17 - -	1.06 - - -
Chinmaya Rail Equipment Pvt Ltd	Purchase Commission Paid	6.47 0.39	0.11 -	0.21 -	0.77 -



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## Notes to Financial Statements for the year ended 31 March 2023 (Contd..)

## 45 Corporate Social Responsibility (CSR)

Particulars	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
<b>i. Details of Corporate Social Responsibility (CSR) expenditure</b>		
a) As per section 135 of the Companies Act, 2013 read with	1.51	1.74
b) Amount spent during the year :		
-- Construction/acquisition of any assets	-	-
- in cash	-	-
- yet to be paid in cash	-	-
-- On purpose other than (i) above		
- in cash	1.51	1.33
- yet to be paid in cash	-	0.41
<b>ii. Details of Unspent balance</b>		
Opening balance of Unspent amount	0.41	0.40
Closing balance of Unspent amount	-	0.41

## iii. The Various heads which the CSR expenditure were incurred in cash is detailed as follows :-

The Company has sincerely adhered to its social responsibility and in this endeavor has made the following contribution during the previous year:

Particulars	Relevant clause of Schedule VII to the Companies Act, 2013	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Eradicating Hunger and Poverty, Health Care and Sanitation	Clause (i)	0.05	0.51
(ii) Education and Skill Development	Clause (ii)	1.35	0.81
(iii) Empowerment of Women and other Economically Backward Sections	Clause (iii)	-	-
(iv) Art & Culture	Clause (v)	0.00	-
(v) Sports	Clause (vii)	0.00	-
(vi) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government	Clause (ix)	0.10	-



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023 (Contd..)

46 Disclosures required under Sec 22 of MSMED Act, 2006 under the Chapter on Delayed Payments to Micro, Small and Medium Enterprises

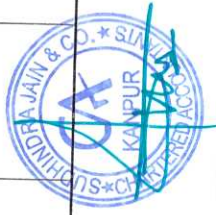
	Particulars	2022-23	2021-22
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
(ii)	The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii)	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the MSMED Act, 2006	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
(v)	The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006	-	-



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## 47 - Analytical Ratios

Sl. No.	Name of Ratio with formula of Numerator and denominator	Value of Numerator (Rs. In Lacs) on 31.03.23	Value of Numerator (Rs. In Lacs) on 31.03.22	Value of Denominator (Rs. In Lacs) on 31.03.2023	Value of Denominator (Rs. In Lacs) on 31.03.2022	Ratio As At 31.03.23	Ratio As At 31.03.22	Change % from previous year	Remark (in case of change % is more than 25%)
1	<b>Current Ratio</b> Current Assets/Current Liabilities	1,62,39,70,096.42	1,13,75,36,777.93	87,30,99,059.94	61,90,33,994.92	1.86	1.84	1.09%	N.A.
2	<b>Debt Equity Ratio</b> Total Debt/Shareholders' Equity	31,30,14,082.72	18,63,34,186.91	3,62,74,25,075.12	3,11,13,24,290.97	0.09	0.06	50.00%	Due to temporary use of Cash Credit limit as at year end
3	<b>Debt Service Coverage Ratio</b> Earning Available for Debt Service/Debt service (PAT+Dep on PPE+dep on RO+finance cost+interest on lease)/(interest payment including lease+principal payment of lease & loans)	58,46,79,517.15	38,06,29,824.09	2,17,67,350.41	1,31,89,397.19	26.86	28.86	-6.93%	N.A.
4	<b>Return on Equity</b> Net Profit after Tax/Average Shareholders' Equity	46,07,62,428.08	27,25,91,822.48	3,36,93,74,683.05	2,93,33,36,318.86	0.14	0.09	55.56%	Due to increase in PAT during the year
5	<b>Inventory Turnover Ratio</b> Sales of Goods/Average Inventory	3,71,87,45,609.41	3,11,92,46,690.20	61,18,15,190.10	48,31,04,631.45	6.08	6.46	-5.88%	N.A.
6	<b>Trade Receivable Turnover Ratio</b> Net Credit Sales/Average Trade Receivables	3,76,03,89,047.55	3,13,74,72,824.12	64,79,36,511.53	48,88,06,478.24	5.80	6.42	-9.66%	N.A.
7	<b>Trade Payable Turnover Ratio</b> Net Credit Purchase/Average Trade Payables for Goods	1,97,54,94,767.15	1,56,43,57,758.22	38,13,99,918.63	26,41,29,364.30	5.18	5.92	-12.50%	N.A.
8	<b>Net capital turnover ratio</b> Net Sales/Average Working Capital	3,76,03,89,047.55	3,13,74,72,824.12	63,46,86,909.74	54,66,36,719.94	5.92	5.74	3.14%	N.A.
9	<b>Net Profit Ratio</b> Net profit after tax/ Net sales	46,07,62,428.08	27,25,91,822.48	3,76,03,89,047.55	3,13,74,72,824.12	12.25%	8.69%	40.97%	Due to better sale realisation and stable cost of materials
10	<b>Return on Capital Employed</b> Earning before interest and taxes/Capital Employed Average Capital Employed =Net Worth+Total Debt+DTL	63,97,27,405.66	35,88,39,938.29	3,67,74,27,438.33	3,17,46,90,098.97	17.40%	11.30%	53.98%	Due to better sale realisation and stable cost of materials
11	<b>Return on Investments</b> On Equity Shares of Frontier Springs Limited Cost of Investment (in Rs.) M.V of Shares including dividend received (in Rs.) Average Holding Period (in years) Simple Average ROI								
						35,000.00	35,000.00		
						12,51,600.00	9,54,275.00		
						33.00	32.00		
						105.33%	82.08%		
	<b>On Equity Shares of Shivalik Waste Management Ltd.</b> Cost of Investment (in Rs.) M.V of Shares including dividend received (in Rs.) Average Holding Period (in years) Simple Average ROI								
						25,000.00	25,000.00		
						29,375.00	26,875.00		
						13.00	12.00		
						1.35%	0.63%		
	<b>On Equity Oriented Mutual Funds</b> <b>On Debt Oriented Mutual Funds</b> <b>On Hybrid Mutual Funds</b>					As per Annexure	As per Annexure		
						As per Annexure	As per Annexure		
						As per Annexure	As per Annexure		



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Frontier Alloy Steels Limited

Notes to Financial Statements for the year ended 31 March 2023 (Contd..)

48 Additional regulatory information

- i) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the year.
- iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- v) There are no proceedings against company, being the Company registered under "the Act", that have been initiated or pending against them for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- vi) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- vii) The company has no transactions with struck off companies under Section 248 of Companies Act, 2013
- viii) The company has taken Cash Credit limit for working capital requirements and submitted quarterly returns & statements of Current Assets with banks .The company has been regular in filling the statements and the same are in agreement with books of accounts except for minor differences.



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

(Shobhit Gupta)  
Partner  
M. No. 449146  
Place : Kanpur

Date : 05/09/2023

  
(Chetan Bhatia)  
Managing Director  
DIN: 00615001

  
(Manu Bhatia)  
Director  
DIN: 00615026

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

  
(Gaurav Anand)  
Company Secretary

# FRONTIER ALLOY STEELS LIMITED

CIN No. U27105UP1986PLC007967

Cash Flow Statement as at March 31, 2023

(Amount in Crores)

Particulars	2023	2022
<b>A Cash Flow from Operating Activities</b>		
<b>Net(Loss)/ Profit After Taxes</b>	46.08	27.26
<b>Add :</b>		
Depreciation	10.63	10.40
Loss on Sale of Asset	-	-
Finance Cost on Lease Asset	0.04	0.04
<b>Less :</b>		
Profit on Sale of Investment	0.02	-
Profit on sale of Fixed Asset	(0.03)	0.01
Dividend Income	0.00	0.00
Provision for Doubtful Debts	-	0.06
Provision for Warranty Claim	(0.23)	0.05
Interest on STDR	0.17	0.23
<b>Operating(Loss) / Profit Before working capital changes</b>	<b>56.82</b>	<b>37.35</b>
<b>Adjustments for:</b>		
(Increase)/Decrease in Inventory	(28.10)	2.35
(Increase)/Decrease in other financial assets	(0.48)	1.49
(Increase)/Decrease in Debtors	(26.86)	(4.97)
(Increase)/Decrease in Loans	(0.00)	(0.04)
(Increase)/Decrease in other assets	4.06	(4.50)
Increase/(Decrease) in provisions	1.15	(0.25)
Increase/(Decrease) in other financial liabilities	(1.40)	(0.32)
Increase/(Decrease) in other liabilities	(0.51)	1.95
Increase/(Decrease) in trade payables	13.93	9.53
Increase/(Decrease) in Current tax and deferred tax	(1.11)	(0.04)
Income Tax for earlier years	(0.09)	0.00
Dividend and Dividend Tax	(1.70)	-
<b>Cash Generated From Operations</b>	<b>15.71</b>	<b>42.56</b>
<b>B Cash Flow from Investing Activities</b>		
<b>Add :</b>		
Sale of Fixed Assets	0.24	0.02
Sale of Investments	-	-
Dividend Received	0.00	0.00
Profit on Sale of Investment	0.02	-
Interest Received on STDR	0.17	0.14
<b>Less :</b>		
Purchase of Assets	15.20	8.68
Purchase of Investment	18.29	31.29
<b>Net Cash Flow Used in Investing Activities</b>	<b>(33.06)</b>	<b>(39.81)</b>
<b>C Cash Flow from Financing Activities</b>		
<b>Add :</b>		
Increase/(Decrease) in borrowings	12.84	2.31
Proceeds from borrowings- Secured Loans	(0.17)	0.09
<b>Less :</b>		
Lease Payment	0.02	0.02
Repayment of borrowings- Secured Loans	-	-
Repayment of borrowings- Working Capital Limit	-	-
<b>Net Cash Flow From Financing Activities</b>	<b>12.65</b>	<b>2.38</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(4.70)</b>	<b>5.14</b>
Cash and Cash Equivalents (Opening Balance)	8.92	3.78
Cash and Cash Equivalents (Closing Balance)	4.22	8.92

For Sudhindra Jain & Co.  
Chartered Accountants  
FRN : 0016140



(Shobhit Gupta)  
Partner  
M. No. 449146  
Place : Kanpur  
Date : 05/09/2023

  
(Chetan Bhatia)  
Managing Director  
DIN: 00615001

  
(Pawan Kumar Agrawal)  
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