Hilton Metal Forging Ltd.™

GOVT. RECOGNIZED EXPORT HOUSE CIN : L-28900 MH 2005 PLC 154986

CORPORATE OFFICE :
204, TANISHKA COMMERCIAL BUILDING,
AKURLI ROAD, KANDIVALI (EAST),
MUMBAI – 400101.

TÜVRheinland Precisely Right. Certificate : 44 100 021868-E3

TEL. : 91 - 22- 4042 6565
FAX : 91 - 22 - 4042 6566
E-MAIL : info@hiltonmetal.com
VISIT US AT : www.hiltonmetal.com

Date: 19th October, 2018

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 Script Code : 532847	**National Stock Exchange of India Limited** 5th Floor, Exchange Plaza, Bandra Kurla Complex Bandra(East) Mumbai-400051 Script Code : Hilton

Sub: Annual Report of the Company for the Financial Year 2017-18

Dear Sir/Madam,

Pursuant to Regulation 34 (1) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, we hereby submit the Annual Report of the Company for FY 2017-18, duly approved and adopted by the members at the Annual General Meeting of the Company held on 28th September, 2018.

Kindly take the same on records.

Yours faithfully

Thanking you,

FOR HILTON METAL FORGING LTD

COMPLIANCE OFFICER
Encl: As above

HILTON
METAL FORGING LTD.

Annual Report 2017-2018

BOARD OF DIRECTORS

Shri Yuvraj Malhotra	Chairman and Managing Director
Shri Navraj Malhotra	Whole time Director
Smt Diksha Malhotra	Executive Women Director
Shri Joseph Mckay	Non- Executive Director
Shri Harmohindar Singh Dhingra	Independent Director
Shri Sukesh Kumar Joshi*	Independent Director
Shri Sanjay Jain	Independent Director
Shri Rajiv Verma	Independent Director

**Appointed as on 08th June 2018*

COMPANY SECRETARY
#Mr. Sajan Mahesh Motwani

#Appointed as on 29th March 2018

CHIEF FINANCIAL OFFICER
Ms. Yashika Yuvraj Malhotra

CHIEF EXECUTIVE OFFICER
Mr Saurabh Johari

STAUTORY AUDITORS
R. Jaitlia & Co.
Chartered Accountants
05, Manish Chambers, Sonawala Road,
Above Axis bank, Goregoan (East),
Mumbai – 400 063.

COST AUDITORS
NNT & Co.
Cost Accountants
602 Silver Matru Prabha
Cama Lane, Kirol Road,
Ghatkopar West, Mumbai -400 086.

REGISTRAR & SHARE TRANSFER AGENTS
Sharex Dynamic (India) Pvt Ltd
Unit No 1, Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool,
Andheri East, Mumbai -400 072.

INTERNAL AUDITORS
Vikas Jindal & Associates
Chartered Accountants
B 153, Ostwal Ornate, Jesal Park,
Bhayander East, Dist Thane - 401105

REGISTERED OFFICE
701 Palm Spring, Link Road,
Malad West, Mumbai 400 064.

PLANT
Plot No 28, 29, Shah and Mehta Industrial Estate,
Village Ghonsai, Taluka Wada, Dist Thane 421312.

CORPORATE OFFICE
204, Tanishka Commercial Building,
Akurli Road, Near - Growel 101 Mall,
Kandivali - East Mumbai 400101.

CONTENTS	Page No
Company Information	2
Notice of AGM	3
Director's Report	13
Management Discussion Analysis	38
Corporate Governance Report	42
Independent Auditor's Report	55
Balance Sheet	60
Statement of Profit and Loss	61
Cash Flow Statement	63
Significant Accounting Policies	65
Notes forming part of Financial Statement	70
AGM Venue Route Map	80
Attendance Sheet and Proxy Form	81
Ballot Form	83
Nomination Form	85

NOTICE

Notice is hereby given that the Thirteen Annual General Meeting of the Members of Hilton Metal Forging Limited will be held on Friday, 28th September 2018 at Whispering Palms Club House, Whispering Palms, Lokhandwala Town Ship, Kandivali East, Mumbai 400 101 at 03.30 p.m. to transact the following business:

ORDINARY BUSINESS:

Item No. 1 - Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements for the Financial year ended 31st March 2018 together with the report of the Board of Directors and Auditor's thereon.

Item No. 2 – Appointment of Director

To appoint a Director in place of Mrs. Diksha Yuvraj Malhotra (DIN:01393249) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

Item No. 3: Appointment of M/s Anil Bansal & Associates, Chartered Accountants as Statutory Auditors of the Company for filling casual vacancy caused by the resignation of M/s R Jaitlia & Co. Chartered Accountants, Chartered Accountants

To consider and, if thought fit, to pass the following resolution, which will be proposed as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to section 139 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder (including any statutory modifications and re-enactment if any thereof for the time being in force), M/s Anil Bansal & Associates, Chartered Accountants (Firm Registration No.100421W) be and hereby are appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s R Jaitlia & Co., Chartered Accountants (Firm Registration No. 117246W)."

"**RESOLVED FURTHER THAT** M/s Anil Bansal & Associates, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company to hold the office from August 22, 2018, until the conclusion of the forthcoming Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be fixed by the Board of Directors of the Company."

"**RESOLVED FURTHER THAT** any Director(s) of the Company, be and is hereby severally authorized to sign and execute all necessary agreement, papers, documents, e-forms and take all necessary steps to give effect to the above resolution including notifying the relevant authorities."

Item No. 4 :Appointment of M/s Anil Bansal & Associates, Chartered Accountants as the Statutory Auditors of the Company for a term of up to five years and fixing their remuneration

To consider and, if thought fit, to pass the following resolution, which will be proposed as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder (including any statutory modifications and re-enactment if any thereof for the time being in force), M/s Anil Bansal & Associates, Chartered Accountants (Firm Registration No. 100421W) be and hereby are appointed as Statutory Auditors of the Company, to hold the office from the conclusion of 13th Annual General Meeting till the conclusion of the 18th Annual General meeting, for a tenure of 5 (five) years, at such remuneration plus applicable taxes, and out of pocket expenses, as may be fixed by the Board of Directors of the Company."

"**RESOLVED FURTHER THAT** any Director(s) of the Company, be and is hereby severally authorized to sign and execute all necessary agreement, papers, documents, e-forms and take all necessary steps to give effect to the above resolution including notifying the relevant authorities."

Item No. 5 - Regularisation of Additional Director, Mr. Sukesh Kumar Joshi, by appointing him as Independent Director of the Company:

To consider and, if thought fit, to pass the following resolution, which will be proposed as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015,Mr.Sukesh Kumar Joshi (DIN- 08153689), who was appointed as an Additional Director w.e.f 06th June 2018 in terms of Section 161(1) of the Companies Act, 2013 and who holds office upto the date of the Ensuing Annual General Meeting and in respect of whom a notice has been received in writing Section 160 of the Companies Act, 2013 from a member, proposing her candidature for the office of a Director, be and is hereby appointed as an Independent director of the company, is not liable to retire by rotation, and to hold office for 5 (five) consecutive years for a term up to date of Annual General Meeting for FY 2022-23.

RESOLVED FURTHER that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

Item No.6 – Remuneration of Cost Auditor for the financial year ending 31st March 2019

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force),NNT & Co., Cost Auditors (Firm Registration No. 28904), appointed as Cost Auditors by the Board of Directors of the Company to conduct the Audit of the Cost records for the Financial Year ending 31st March, 2019, be paid a remuneration of Rs.55,000/-(Rupees fifty five thousand only) per annum plus reimbursement of actual out-of-pocket expenses in connection with the audit of the cost records.

RESOLVED FURTHER THAT the Board of Directors of the Company (including Committee(s) of the Board), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

Item No. 7 –Reappointment of Mrs. Diksha Yuvraj Malhotra

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V to the Act and the Rules made thereunder, as amended from time to time, the Company hereby approves the re-appointment and terms of remuneration of Mrs. Diksha Yuvraj Malhotra (DIN- 01393249)as the Executive Director of the Company for the period 5 years till 31st March 2023, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mrs. Diksha Yuvraj Malhotra.

"RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

For and On Behalf of Board of Directors

Sd/-
Mr. Yuvraj Malhotra
Chairman & Managing Director
DIN: 00225156

Registered office:
701, Palm Spring
Link Road, Malad (West),
Mumbai – 400 064.

Date: 24/08/2018
Place: Mumbai

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special business is annexed hereto.
2. **Voting & Proxy:**
   a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE AND MORE PROXIES TO ATTEND AND VOTE, INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
   b) Proxy Form and Attendance Slip are enclosed. Proxies, duly stamped and executed, must reach at the Registered Office of the Company not less than 48 Hours before the commencement of the Annual General Meeting.The instrument appointing Proxy as per the format included in the Annual Report, duly completed, stamped and signed should be returned to the Registered Office of the Company not less than Forty Eight hours before the time for holding the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc., must be supported by appropriate resolution/authority letter/power of attorney, as applicable, issued by the member organization. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified true copy of Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
   c) a person can act as proxy on behalf of members not exceeding fifty and further a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
   d) In case of joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.

e) Members /proxies /authorized Representatives attending the meeting should bring the enclosed Attendance Slip, duly filled in for handing over at the venue of the meeting.

f) The Voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date Thursday 20th September, 2018.

3. Closure of Books:

The Register of Members and Share Transfer Book of the Company will remain closed from Friday 21st September 2018 to Friday 28th September, 2018 (both days inclusive).

4. The information required to be provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice.

5. Pursuant to the provision of 124 & 125 of the companies act 2013, the company has transferred the unpaid or unclaimed dividend for the financial year 2009-10 to Investor Education and Protection Fund (IEPF) established by the Central Government

Pursuant to the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the company has uploaded on its website the details of unpaid and unclaimed amount lying with the company for the financial year 2010-11. The Balance amount lying in unpaid Dividend Account for the Financial Year 2010-11 is due for Transfer to IEPF on 26/09/2018. Members who have not encashed their dividend for the aforesaid financial year and subsequently financial years are advised to write to the company immediately for claiming the dividend declared by the company.

6. The Ministry of Corporate Affairs (MCA) has notified the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7th September 2016 as amended by Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017. The Said rules provide for manner of transfer of shares in respect of which dividend has remained unpaid for seven consecutive years to DEMAT Account of IEPF Authority.

In Compliance with the said rules, the company has transferred respected shares for Financial Year 2009-10 to DEMAT Account of IEPF Authority

7. **Updation of records:**

a) Members are requested to intimate to Sharex Dynamic (India) Private Ltd, Registrar and Transfer Agents of the Company their e-mail address for sending notice /documents through e-mail as per directives issued by Government of India, Ministry of Corporate Affairs, vide Circular No 17/2011 dated 21.04.2011 Members are requested to address all correspondences including dividend matters to the Registrar and Transfer Agents,

Sharex Dynamic (India) Private Ltd,

Unit 1, Luthra Industrial Premises,

Safed Pool, Andheri – Kurla Road,

Andheri – East, Mumbai - 400 072,

Email-henry@sharexindia.com .

b) Members whose shareholding is in dematerialized form are requested to notify immediately the change in their address, bank mandates and e-mail IDs to their respective depository participants. Member holding shares in physical form are requested to intimate any change in address, bank mandates and e-mail IDs immediately to Company/ Sharex Dynamic (India) Private Ltd.

The Email ID Provided shall be updated subject to verification of your signatures as per the records available with the RTA of the Company.

c) Non Resident Indian Members are requested to inform the Companies RTA, immediately of any change in the residential status on return to India for permanent settlement, their bank account maintained in India with Complete name, branch, account type, account number and address of the bank with Pin Code, IFSC and MICR Code as applicable, if such details are not furnished earlier.

d) Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.

8. As per the provisions of Section 72 of the Act, facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in single name and who have not yet registered their nomination, are requested to register the same by submitting Form No. SH-13. Members holding shares in physical form are requested to submit the forms to the Company. Members holding shares in dematerialized may contact their respective Depository Participants for recording of nomination.

9. Members are requested to bring their copies of Annual Report to the Meeting. In case of joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote. Members /proxies attending the meeting should bring the Attendance Slip, duly filled in for handing over at the venue of the meeting.

10. Members desirous of getting any information in respect of accounts of the Company and proposed resolutions, are requested to send their queries in writing to Company at its' Corporate Office at 204, Tanishka Commercial Building, Akurli Road, Nr Growels 101 Mall, Kandivali East, Mumbai – 400101 at least 7 days before the date of the meeting, so that the required information to the extent possible can be made available at the meeting.
11. Relevant documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection for eligible members on all working days except on Saturdays, and holidays between 11.00 a.m. to 01.00 p.m. upto the date of the 13th Annual General Meeting.
12. The Ministry of Corporate Affairs has allowed paperless compliances by companies through electronic mode by providing the same under the Companies Act, 2013 and rules framed thereunder. The Members can now receive various notices and documents including Annual Reports through electronic mode. Members who have not registered their e-mail address are encouraged to participate in this green initiative by registering their e-mail id for e-communication. Members are requested to register / update their e-mail id for e-communication with the Depository Participants. Even after registering for e-communication, Member(s) are entitled to receive communication(s) including Annual Report in physical form, free of cost, on receipt of written request for the same. Members may also note that the Annual Report for the financial year 2018 together with Notice of the 13th Annual General Meeting, Attendance Slip, Proxy Form and Route Map will also be available on the website of the Company viz. www.hiltonmetal.com for their download.
13. In accordance with the provisions of Section 101 of the Companies Act, 2013 read along with Rule 18 of the Companies (Management and Administration) Rules, 2014, copy of Annual Report of the Company for Financial Year 2018 along with this Notice of the 13th inter alia indicating the process and manner of e-voting along with Attendance Slip, polling paper and Proxy Form and Annual Report for 2018 are being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 13th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
14. Route Map of the Venue of the Proposed AGM of the Company is appearing at the end of this Annual Report.
15. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 13th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for members for voting electronically are as under:-

(i) The voting period begins on 25/09/2018 at 10.00 a.m and ends on 27/09/2018 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21/09/2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Log on to the e-voting website www.evotingindia.com

(iii) Click on Shareholders

(iv) Now Enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.comand voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <HILTON METAL FORGING LIMITED> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.

(B) The voting period begins on 25/09/2018 at 10.00 a.m and ends on 27/09/2018 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21/09/2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions

i. Mr. Haresh Sanghvi, Practicing Company Secretaries (Membership No. 2259) has been appointed as the Scrutinizer by the Board of Directors of the Company to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.

ii. The Members who have not casted their vote by remote e-voting prior to the Annual General Meeting ("AGM") can exercise their voting rights at the AGM. The Members who have already exercised their right to vote by remote e-voting may attend the AGM but shall not be entitled to vote at the AGM. If a Member casts vote again at the AGM, then votes casts through remote e-voting facility shall prevail and voting at the Meeting will be treated invalid.

iii. The Voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date, Friday, September 21st, 2018.

iv. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Ownership maintained by the RTA/ Depositories, as the case may be, as on the cut-off date only

shall be entitled to avail the facility of remote e-voting or voting at the AGM. Any person who has ceased to be the Member of the Company as on the cut-off date will not be entitled for remote e-voting or voting at the AGM and should treat this Notice for information purpose only. Any person, who becomes Member of the Company after dispatch of the Notice and holding shares as of the cutoff date, may obtain the login ID and password by sending a request to CDSL at helpdesk.evotingindia@cdslindia.com. However, if you are already registered with CDSL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

v. Once the vote on resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

vi. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of polling paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

vii. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

viii. The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again at the Meeting.

ix. The Results declared along-with the Scrutinizer's Report shall be placed on the Company's website www.hiltonmetal.com and on the website of CDSL www.cdslindia.com within 48 hour of passing of the resolutions at the 13th Annual General Meeting of the Company and communicated to the National Stock Exchange of India Limited and Bombay Stock Exchange Limited, where the shares of the company are listed.

For and On Behalf of Board of Directors

Sd/-
Mr. Yuvraj Malhotra
Chairman & Managing Director
DIN: 00225156

Registered office:
701, Palm Spring
Link Road, Malad (West),
Mumbai – 400 064.

Date: 24/08/2018
Place: Mumbai

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

ITEM NO. 3 & 4:

Your Company's Auditors, M/s R Jaitlia & Co., Statutory Auditor (Firm Registration No.117246W) were appointed to hold office from the conclusion of the Annual General Meeting (AGM) of the Company held on September 28, 2017 until the conclusion of the AGM to be hold in the year 2021, subject to ratification of their appointment by the shareholders at every AGM. However, they have expressed their inability to continue as Statutory Auditors of your Company up to the conclusion of their appointment period. The Board thus appointed M/s Anil Bansal & Associates, Chartered Accountants (Firm Registration No 100421W) as Statutory Auditors of your Company to fill the casual vacancy caused by the said resignation effective from August 22, 2018 till the conclusion of the forthcoming AGM.

Further, the Board of Directors ("Board") at their meeting held on August 22, 2018, has recommended appointment of M/s Anil Bansal & Associates, Chartered Accountants as Statutory Auditors of the Company to hold office for a period of up to five consecutive years from the conclusion of this AGM till the conclusion of the 18th AGM.

Your Company has obtained consent of M/s Anil Bansal & Associates and a certificate in accordance with Section 139, 141 and other applicable provisions of the Act to the effect that their appointment, if made, shall be in accordance with the conditions prescribed and that they are eligible to hold office as Statutory Auditors of the Company.

The Board recommends the passing of resolutions at Item No. 3 & 4 of the Notice as an Ordinary Resolutions.

None of the Directors, Key Managerial Personnel and/or their relatives are in any way concerned or interested, financially or otherwise in the said appointment.

ITEM NO. 5:

Mr. Sukesh Kumar Joshi was appointed as an Additional Director of the Company with effect from 06th June 2018, in accordance with the provisions of Section 161 of the Companies Act, 2013, read with the Articles of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013, the above director holds office only up to the date of the ensuing Annual General Meeting of the Company.

The Board is of the view that the appointment of Mr. Sukesh Kumar Joshi on the Company's Board as Director is desirable and would be beneficial to the Company and hence it recommends the said Resolution No. 4 for approval by the members of the Company.

Accordingly, the Board recommends the resolution as set out of Item no.5 of the Notice for the approval of the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

ITEM NO. 6:

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the Re-appointment and remuneration of Ms. Nikita Talati of NNT & Co., Cost Accountant, Mumbai to conduct the Audit of the Cost records of the Company for the financial year ending 31st March, 2019.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the company.

Accordingly, the Board recommends the resolution as set out of Item no.6 of the Notice for the approval of the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

ITEM NO.7

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, at its meeting held on 12th February, 2018, has re-appointed Mrs. Diksha Malhotra as Executive Director of the Company for a tenure of Five years commencing from 1st April 2018, on terms and conditions of appointment and remuneration as set out below:

STATEMENT OF INFORMATION FOR THE MEMBERS PURSUANT TO SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013.

1. Remuneration:

A. BASIC SALARY & DEARNESS ALLOWANCE:

Rs. 2,50,000/- per month

With such increments as may be decided by the Board of Directors (which includes any Committee thereof) from time to time.

B. NATURE OF DUTIES:

a) The Executive Director shall devote her whole time and attention to the business of the Company and carry out such duties, as may be entrusted to her by the Board from time to time and separately communicated to her and exercise such powers

as may be assigned to her, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.

b) The Executive Director shall not exceed the powers so delegated by the Board pursuant to clause 2(a) above.

c) The Executive Director undertakes to employ the best of the skill and ability to make her utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and all such orders and directions as may be given to her from time to time by the Board.

C. PERQUISITES& ALLOWANCES

i. Perquisites will be allowed in addition to salary and commission and will include accommodation (furnished or otherwise) or house rent allowance together with reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishings and repairs and all other expenses for the upkeep and maintenance thereof; medical reimbursement on actual basis for self and family members (which shall include spouse, dependent children), reimbursement of leave travel concession for self and family as aforesaid, medical / personal accident insurance cover as per the Company's service Rules, and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and CMD such perquisites and allowances will, however, be subject to a maximum of 40% of the annual salary.

ii. For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per the Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.

iii. Benefits under the Provident Fund Scheme, the Company's Pension/Superannuation Fund Scheme in accordance with the Company's rules and regulations in force from time to time shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable, under the Income-tax Act, 1961. Gratuity payable as per the rules of the tenure shall not be included in the computation of limits for the remuneration as aforesaid.

iv. Provision for use of the Company's Car for official duties and telephone at residence (including payments for local calls and long distance calls shall be not be included in the computation of perquisites for the purpose of calculating the said ceiling.

D. REIMBURSEMENT OF EXPENSES

Expenses incurred for traveling, boarding and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actual and not considered as perquisites.

E. MINIMUM REMUNERATION:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of Mrs Diksha Malhotra's tenure, the company has no profits or the profits are inadequate, the company shall pay basic salary, benefits, perquisites and allowances and incentive remuneration as specified above as Minimum remuneration.

As per requirement of Schedule V of the Act, members' approval by way of special resolution is required for payment of remuneration to Executive Director in excess of limits prescribed under the Companies Act, 2013, in case of absence of profits in any financial year. Hence, the terms of remuneration specified above are now being placed before the Members for their approval.

INFORMATION PURSUANT TO SCHEDULE V PART (II) SECTION II TABLE A:

Nature of Industry	Manufacturers and exporter of Steel forgings & allied products		
Date or expected date of commencement of commercial production	21-07-2005		
In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N A		
Financial Performance based on given indicators for the financial year ended 31/03/2017& 31/03/2018	Particulars	31/03/2017 Rs (in Lacs)	31/03/2018 Rs (in Lacs)
	Total Income	8539.24	9630.75
	Expenses	8561.20	9542.28
	Profit after Tax	(43.00)	27.21
	EPS	(0.35)	0.22
	P/E ratio	4.76	18.91
	Total Assets	11538.56	14502.63
	Accumulated Losses	NIL	NIL

Export performance and net foreign exchange	Export of goods FOB Vale Rs 2733.20 Lacs Exchange out go Rs 58.56 Lacs
Collaborations, if any,	The Company does not have any foreign collaboration

Information about Appointee

Background details	Mrs. Diksha Malhotra is reappointed as a Executive Director of the company for the period of 5 years i.e. from 1st April 2018, Approval for her remuneration is now sought from the Shareholders.
Gross Annual remuneration with last employer	Annual Remuneration of Rs 30,00,000/-p.a all inclusive of allowances and perquisites was paid in F.Y. 17-18
Job Profile and his suitability	She is commerce graduate and is having 13 years of experience in marketing forging products in international market
Remuneration Proposed	Rs. 2,50,000/- per month plus allowances and perquisites as per company's rules, subject to ceiling stipulated in Schedule V of the Act.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Your company is one of leading operator in the Forging Industries. The proposed remuneration is comparable with the other companies of similar size and nature in the Industry.
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel if any	Being a Major Shareholder of the Company and being relative of other Key Managerial Personnel, she has pecuniary relationship apart from the remuneration drawn from the Company.

Other information

Reasons of loss or inadequate profits	Stiff competition and lower volume in export market, are the primary reason lower profit margins.
Steps taken or proposed to be taken for improvement	Strengthening export supply chain system and suitable recruitments is underway.
Expected increase in Productivity and profits in measurable terms	Rearranging system for maximum possible use of all machinery.
Disclosures	The remuneration package details are given above

The Directors are of the view that the appointment of Mrs. Malhotra as Executive Director will be beneficial to the operations of the Company and the remuneration payable to him is commensurate with her abilities and experience and accordingly commend the Resolutions at Item Nos. 7 of the Notice for approval by the Members of the Company

None of the Directors / Key Managerial Personnel of the Company / their relatives except Mr. Yuvraj Malhotra, Mrs. Diksha Malhotra and Mr.Navraj Malhotra being director and their relatives are deemed to be concerned or interested in the aforesaid Resolution.

For and On Behalf of Board of Directors

Sd/-
Mr. Yuvraj Malhotra
Chairman & Managing Director
DIN: 00225156

Registered office:
701, Palm Spring
Link Road, Malad (West),
Mumbai – 400 064.

Date: 24/08/2018
Place: Mumbai

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of Director	Mrs. Diksha Malhotra
Nationality	Indian
Date of Birth	13/09/1968
Qualification	B.Com
Date of Appointment	25/03/2015
Expertise	13 years of experience in marketing forging products in international market
Directorships in other public companies as on 31st March, 2017	NIL
Chairman / Member of any other Committees as on 31st March, 2017	NIL
Shareholding in the Company as on31st March, 2018 (Equity Share of Rs. 10/- Each)	346975 Equity Shares
Relationship between directors inter-se	Wife of Mr. Yuvraj Malhotra

For and On Behalf of Board of Directors

Sd/-
Mr. Yuvraj Malhotra
Chairman & Managing Director
DIN: 00225156

Registered office:
701, Palm Spring
Link Road, Malad (West),
Mumbai – 400 064.

Date: 24/08/2018
Place: Mumbai

DIRECTORS' REPORT

To

The Members

Hilton Metal Forging Limited

Your Directors have pleasure in presenting the Thirteenth Annual Report together with the Audited Statements of Accounts and the Auditors Report of your company for the financial year ended March 31, 2018.

1. FINANCIAL HIGHLIGHTS

The summary of Companies financial performance for the financial year 2017-18 as compared to previous financial year 2016-17 is given below.

(Rs in Lakhs)

Particulars	Year Ended March 2018	Year Ended March 2017
Total revenue	9630.75	8539.24
Less: Operating Expenses & Provision	8957.46	7970.08
Profit before Interest, Depreciation & Taxes	673.29	569.16
Less: Depreciation	276.10	288.00
Less: Interest & finance Charges	308.72	303.10
Profit before Tax	88.47	(21.96)
Less: Provision for Taxation	61.26	(21.04)
Profit After Tax	27.21	(43.00)
Other Comprehensive Income	15.89	8.94
Total Comprehensive Income for the Year	43.10	34.06
Balance Brought forward	772.38	824.31
Balance Available for Appropriation	799.59	772.38
Appropriation :		
Proposed Dividend for the Financial year	-	-
Corporate Dividend Tax	-	-
Transferred to General Reserves	-	-
Surplus retained in Profit & Loss account	799.59	772.38

2. PERFORMANCE OVERVIEW

During the year under review, the total revenue of the company was Rs. 9630.75 Lacs as compared to Rs. 8539.24 Lacs during the previous year amounting to an increase of 12.78 %, the PAT was Rs.(43 Lacs) as compared to last year loss of Rs.27.21 Lacs Company's performance for the year under the review year was improved considerably.

3. CHANGE IN NATURE OF BUSINESS, IF ANY

There was no change in nature of Business of the Company during the year under review.

4. TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013

The Company has not transferred any amount to General Reserves for the Financial Year 2018.

5. DIVIDEND

The Board does not propose any dividend for the year ended 31st March, 2018 due to conservation of profit.

6. PUBLIC DEPOSITS

During the year, the Company has not accepted any deposits from the public and as such, there are no outstanding deposits within the purview of section 73 of the Companies Act, 2013 and rules made thereunder.

7. INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

Company does not have any Subsidiary, Joint venture or Associate Company.

8. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF). Shareholders of the Company who have not received or encashed their dividend for the financial years, as mentioned below, are requested to claim the unpaid / unclaimed dividend from the Company before its transfer to the above mentioned Fund.

Sr. No	Year of Declaration of Dividend	Date of Declaration of Dividend	Unclaimed Amount (In Rs.)	Due Date for transfer to IEPF Account
1	2010-11	28.09.2011	32,118	26-09-2018
2	2011-12	29.09.2012	41,731	28-09-2019
3	2012-13	30.09.2013	59,404	28-09-2020
4	2013-14	27.09.2014	46,383	25-09-2021
5	2014-15	30.09.2015	68,632	28-09-2022

9. MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which these financial statements relate and the date of this Report.

10. EXTRACT OF ANNUAL RETURN

The extracts of Annual Return in Form MGT-9 as required under Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 (as amended), forms part of this Report as "**Annexure I"**

11. DIRECTORS AND KEY MANAGERIAL PERSONNELS

a) Retirement by Rotation:

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, Mrs. Diksha Malhotra, Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and offers himself for re-appointment. The Board recommends his re-appointment.

As stipulated under the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief resume of the Director proposed to be re-appointed is given in the Notice convening 12th Annual General Meeting.

The abovenamed Director has furnished its declarations in Form DIR-8 pursuant to the provisions of Section 164(2) of the Companies Act 2013 read with Rule 14 (1) of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

b) Declaration by Independent Director(s)

All Independent Directors have given their respective declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013.

c) Change in Composition of Board and Key Managerial Personnel

Ms. Pragati Natani has tendered her resignation from the post of Company Secretary w.e.f 11th December 2017. The vacancy caused by her resignation was filled by the Mr. Sajan Mahesh Motwani w.e.f. 29th March 2018.

Further, Mr. Rohit Pandey has tendered his resignation from the post of Chief Financial Officer w.e.f 27th October, 2016. The vacancy caused by his resignation was filled by appointment of Mr. Yashika Yuvraj Malhotra w.e.f 26th May, 2017.

Further to Note that the Board has appointed Mr. Saurabh Johri as Chief Executive Officer w.e.f. 11th April 2018 and appointed Mr. Sukesh Kumar Joshi w.e.f. 08th June 2018 during the Year 2018-19 under review.

d) Number of Meetings of the Board

During the year, Six Board Meetings were convened and held, which are disclosed in the Report on Corporate Governance forming part of the Annual Report of the Company.

e) Performance Evaluation of the Board

Pursuant to the provisions of the Act, and Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, the directors individually, as well as the evaluation of the working of its Committees.

At the meeting of the Board all the relevant factors, that are material for evaluating the performance of individual Directors, the Board and its various committees were discussed in detail. Various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance etc. were taken into consideration.

A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the independent Directors was carried out by the entire Board.

The performance evaluation of the Chairman and non-independent Directors was also carried out by the Independent Directors at their separate meeting. The Directors expressed their satisfaction with the evaluation process.

f) Committees of the Board

Currently the board has four committees: the Audit committee, the Nomination and Remuneration Committee, the Stake holders Relationship Committee and Committee of Independent Directors. A detailed note on the composition of Board and its committees is provided in the Corporate Governance Report forming part of this Annual Report.

Pursuant to the Provision of Section 178 of the companies' act 2013 and Regulation 19 of Listing Regulation and on Recommendation of the Nomination and Remuneration Committee, the Board of Directors has adopted a policy on Criteria for Selection and Appointment of Directors, Senior Management Personnel and their remuneration. Nomination and Remuneration policy is applicable to all Directors, Key Managerial Personnel (KMP), Senior Management team and other employees of the Company and the same has been annexed to this Report and marked as **"Annexure-II"** and is also available on the Company's Website www.hiltonmetal.com.

12. VIGIL MECHANISM

As per the provisions of Section 177(9) of the Companies Act, 2013 the Company is required to establish a Vigil Mechanism for Directors and Employees to provide for adequate safeguards against victimization of the stakeholders and provide for direct access to the Management.

The policy can be accessed on the Company's website www.hiltonmetal.com

13. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors acknowledge the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of annual accounts for the year ended on 31st March 2018 and confirm that:

a. in the preparation of the annual accounts, for financial year 2017-18, the applicable accounting standards had been followed and there are no material departures from the same;

b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d. the directors had prepared the annual accounts on a going concern basis;

e. the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. INSIDER TRADING CODE

The Company has adopted a Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and Code of Conduct for fair disclosures pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015.

15. RISK MANAGEMENT

The Audit Committee has also been delegated the responsibility for monitoring and reviewing risk management, assessment and minimization procedures, developing, implementing and monitoring the risk management plan and identifying, reviewing and mitigating all elements of risks which the Company may be exposed to. The Board also reviews the risk management assessment and minimization procedures

16. DETAILS ABOUT CSR COMMITTEE, POLICIES, IMPLEMENTATION AND INITIATIVES

The Company is not falling under the criteria as mentioned in the Section 135 of the Companies Act, 2013 and rules made thereof. Hence, Formulation of CSR Committee and adopting a policy on CSR is not applicable to the Company.

17. REPORT ON CORPORATE GOVERNANCE

The Company has taken the requisite steps to comply with the recommendations concerning Corporate Governance. A separate statement on Corporate Governance together with a certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report

18. AUDITORS

a) STATUTORY AUDITORS AND THEIR REPORT:

The Statutory Auditors, M/s. Anil Bansal & Associates, Chartered Accountants, Mumbai, has been appointed as statutory auditors of the Company for filling casual vacancy caused by the resignation of M/s R Jaitlia & Co. Chartered Accountants, until the conclusion of the ensuing Annual General Meeting of the Company.

The Company recommends their reappointment as Statutory Auditors of the Company from the conclusion of 13th Annual General Meeting till the conclusion of the 18th Annual General meeting, for a tenure of 5 (five) years. The Company have received a confirmation from them to the effect that their appointment, if made, would be within the prescribed limits U/S 141 of the Companies Act, 2013 and the Rules framed thereunder.

The Auditors' Report to the Shareholders for the year under review is annexed to this Report and it does contain qualification As per the observation of statutory Auditor: -

"The Comparative financial information of the company for the year ended 31st March 2017 and the transition date opening balance sheet as on 1st April 2016 prepared in accordance with Ind AS included in these Ind AS Financial Statements have been audited by predecessor auditor. The report of the predecessor auditor, whose report for the year 31st March 2017 and 31st March 2016 dated 26th May 2017 and 27 May 2016 respectively expressed an unmodified opinion on those financial statements

Our Opinion on the financial statements and our report on other legal and regulatory requirements is not modified in respect of these matter"

The comments in the Auditors' Report read with notes to the accounts are self-explanatory and hence do not call for any further comments under section 134 of the Companies Act, 2013.

b) COST AUDITORS AND THEIR REPORT:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company are required to be audited.

As required under the Companies Act, 2013, the appointment and remuneration payable to the cost auditor is required to be placed before the Members in a General Meeting for their ratification. The appointment and remuneration payable to NNT & Co., Cost Accountants is included in Item No.5 of the Notice convening the Annual General Meeting.

The cost audit report for the financial year 31st March 2018 does not contain any reservation, qualification or adverse remark.

c) SECRETARIAL AUDITOR AND THEIR REPORT:

Pursuant to the provisions of Section 204 of the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (as amended) the Company has appointed Haresh Sanghvi, Practicing Company Secretaries (Membership No. 2259)for conducting Secretarial Audit of the Company for the financial year ended on March 31, 2018.

The Secretarial Audit Report for the financial year ended 31st March, 2018 is annexed herewith as **'Annexure III'** to this Report.

As per the observation of Secretarial auditor:

i) Non-filing of Foreign Liabilities and Assets return for the year ended March, 2018 was due to lack of understanding of applicable provisions.

d) INTERNAL AUDIT AND THEIR REPORT:

Pursuant to the provisions of Section 138 of the Act, read with the Companies (Accounts) Rules, 2014, on the recommendation of the Audit Committee reappointed M/s Vikas Jindal & Associates as an internal auditor of the Company. The Internal Auditor submits his reports on quarterly basis to the Audit Committee.

Based on the report of internal audit, management undertakes corrective action in their respective areas and thereby strengthens the controls.

19. INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls with reference to the financial statements. The Audit Committee evaluates the efficiency and adequacy of the financial control system in the company and strives to maintain the standards in the Internal Financial Control.

20. DISCLOSURES

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS:

The Company has not given any guarantee or advanced any loans pursuant to the provisions of Section 186 of the Act. Details of investments made by the Company have been given in the notes of the Financial Statements.

PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with related parties as defined under the Companies Act, 2013 and Reg 23 of SEBI (Listing Obligation & Disclosure Requirements) Regulation,2015; during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company and hence, enclosing of Form AOC-2 is not required. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the notes to the Financial Statements.

SHARE CAPITAL:

The Company has neither issued any Sweat Equity Shares or Bonus shares nor have bought back any of its securities nor have provided any stock option scheme to the employees during the year under review.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as **"Annexure-IV"**

PARTICULARS OF EMPLOYEES AND REMUNERATION:

Disclosures pertaining to remuneration and other details are required under Section 197(12) of the Act read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is forming part of the Directors' Report for the year ended 31st March, 2018 and is attached to this Report and marked as **"Annexure V"**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Management Personnel) Rules, 204, there are no employees drawing remuneration in excess of the limits set out in the said rules.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN

The Company has zero tolerance towards sexual harassment at the workplace and hence, has formulated Sexual Harassment Policy which is available on Company's intranet portal and is accessible to all the employees of the Company. During the year under review, has not received any complaints of sexual harassment.

21. STATUTORY COMPLIANCE

The Company has complied with all the statutory requirements. A declaration regarding compliance of the provisions of the various statutes is also made by the Managing Director. The Company ensures compliance of the Companies Act, 2013; SEBI (Listing Obligation and Disclosure Requirements) Regulation,2015 and various statutory authorities on quarterly basis in the Board Meeting.

22. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There were no significant and material orders passed by the regulators or courts or Tribunals impacting the going concern status and company's operation in future.

23. ACKNOWLEDGEMENTS:

Your Directors would like to express their sincere appreciation of the positive Co-operation received from the Governments and bankers. The Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers, workers and staff of the company resulting in the successful performance during the year.

The Board also takes this opportunity to express its deep gratitude for the continued co operation and support received from its valued shareholders. The Directors express their special thanks to Mr. Yuvraj Malhotra, Chairman and Managing Director for his untiring efforts for the progress of the Company.

For and on behalf of the Board of Directors

Sd/-

Yuvraj Malhotra
Chairman & Managing Director
DIN:00225156

Place: Mumbai
Dated: 24/08/2018

ANNEXURE-IV

Prescribed particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

A. CONSERVATION OF ENERGY

(i) Steps taken by the company on conservation of energy

Energy conservation is priority area for the Company, and the measures taken during the year included:

1. Systematic maintenance of furnaces to ensure optimum performance.
2. Overall Equipment Effectiveness improvement.
3. Load Management to achieve unity power factor.
4. Installed translucent sheets for natural lights.
5. Energy saving by optimum utilization of furnaces
6. Cycle time reduction of forging units.
7. Use energy efficient motors in various equipment's.
8. Awareness and training programs for employees

(ii) Additional investment proposals, if any, being implemented for reduction of consumption of energy.

Proposed work area includes furnaces, water cooling plants, servo control voltage stabilizers for lighting, compressed air systems and selection of energy efficient plant and machinery.

(iii) Impact of the above measures for reduction of energy consumption and consequent impact of the cost of the production of goods

On account of the measures taken and proposed to be taken, the Company is confident of improving raw material yield and reduce the cost incurred towards fuel costs. The measures taken will in turn help to reduce the cost of production of the goods and will make our products more competitive.

B. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION:

(i) Efforts made towards technology absorption, adaption and innovation:

Sustained efforts are made to reduce the consumption of raw material by using versatile designing and multiple lay-out of dies.

(ii) Benefits derived as a result of the above:

(a) Improved competitive position through significantly improved products for new markets.

(b) Improved competency in designing process & products for customers.

(c) Upgradation of technical skill of employees for higher productivity & more consistent quality.

(iii) No technology was imported in the last three years

a) **Expenditure incurred on Research and Development:**

The Company has been continuously putting effort to develop new products for other segments. The Company is doing many research activities in the areas of component weight reduction, process design, process improvement etc

C. FOREIGN EXCHANGE EARNING AND OUTGO:

Foreign Exchange earnings through Export Sales Rs. 2733.20 Lacs

The company's out go of foreign exchange activities amounted to Rs 58.56 Lacs

For and on behalf of the Board of Directors

Sd/-

Yuvraj Malhotra
Chairman & Managing Director
DIN:00225156

Place: Mumbai
Dated: 24/08/2018

ANNEXURE-I

FORM NO. MGT-9

Extract of the Annual Return as on the financial year ended March 31st, 2018

(Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS

i. **CIN :** L28900MH2005PLC154986

ii. **Registration Date :** 21st July 2005

iii. **Name of the Company** : HILTON METAL FORGING LIMITED

iv. **Category :** Company Limited by shares

Sub-Category of the Company : Indian Non-Government Company

v. **Address of the Registered Office and contact details**:

701,Palm Spring, Link Road, Mumbai- 400064

Tel.: 022-4042 6565, Fax: 022-40426566

Email: secretarial@hiltonmetal.com

Website: www.hiltonmetal.com

vi. **Whether Listed Company**: Yes, Listed on BSE and NSE.

vii. **Name, Address and Contact details of Registrar and Transfer Agent**:

M/s. Sharex Dynamic (India) Private Limited.

Unit 1, Luthra Industrial Premises

Safed Pool, Andheri – Kurla Road

Andheri – East, Mumbai - 400 072

Ph: 022 – 28515606/5644.

Fax :022-28512885

Website: www.sharexindia.com

II. PRINCIPAL BUSINESS ACTIVITIES

All the business activities contributing 10 % or more of the total turnover of the Company

Sr. No.	Name and Description of main products	NIC Code of the Product	% to total turnover of the Company
1.	Forging and Metal	28910	100%

III. PARTICULAR OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIE

Sr No	Name and Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
NIL					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of shareholders	No. of shares held at the beginning of the year (As on 01.04.2017)				No. of shares held at the end of the year (As on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	**6477799**	**-**	**6477799**	**52.06**	**6164962**	**-**	**6164962**	**49.546**	**-2.514**
b) Central Govt	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
c) State Govt (s)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
d) Bodies Corp.	**68400**	**-**	**68400**	**0.55**	**-**	**-**	**-**	**-**	**-0.55**
e) Banks / FI	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
f) Any Other….	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sub-total (A) (1)	**6546199**	**-**	**6546199**	**52.61**	**6164962**	**-**	**6164962**	**49.546**	**-3.064**

Category of shareholders	No. of shares held at the beginning of the year (As on 01.04.2017)				No. of shares held at the end of the year (As on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other –Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	**6546199**	**-**	**6546199**	**52.61**	**6164962**	**-**	**6164962**	**49.546**	**-3.064**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds		0				0			0.000
b) Banks / FI		0			32971	0	32971	0.265	0.265
c) Central Govt		0			10212	0	10212	0.082	0.082
d) State Govt(s)		0				0			0.000
e) Venture Capital Funds		0				0			0.000
f) Insurance Companies		0				0			0.000
g) FIIs	583000	0	583000	4.685		0			-4.685
h) Foreign Venture Capital Funds		0				0			0.000
i) Others		0				0			0.000
Sub-total (B)(1):-	**583000**		**583000**	**4.685**	**43183**	**0**	**43183**	**0.347**	**-4.338**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	**230035**	**150000**	**380035**	**3.054**	**493431**	**-**	**493431**	**3.966**	**0.912**
ii) Overseas	-				-				
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2715248	5	2715253	21.822	3855065	5	3855070	30.982	9.160
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1726971	0	1726971	13.879	1523133	0	1523133	12.241	-1.638
c) Others (specify)									
Trusts	-	-	-	-	-	-	-	-	-
Clearing member	173047	0	173047	1.391	129817	0	129817	1.043	-0.348
Market Maker	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Non Resident Indians	318511	0	318511	2.56	83420	0	83420	0.67	-1.89
Overseas Corporate Bodies		0			0	150000	150000	1.205	1.205
Sub-total (B)(2):	5163812	150005	5313817	42.706	6084866	150005	6234871	50.107	7.401
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5746812	150005	5896817	47.391	6128049	150005	6278054	50.454	3.063
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**12293011**	**150005**	**12443016**	**100**	**12293011**	**150005**	**12443016**	**100**	**-**

(ii) Shareholding of Promoters

Shareholders Name	No. of shares held at the beginning of the year (As on 01.04.2017)			No. of shares held at the end of the year (As on 31.03.2018)			% Change in share holding during the year
	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
YUVRAJ HIRALAL MALHOTRA	5575934	44.812	0	5662334	45.506	44.812	0.694
DIKSHA YUVRAJ MALHOTRA	672812	5.407	0	346975	2.789	0	-2.618
NAVRAJ MALHOTRA	149653	1.203	0	149653	1.203	0	0
YUVRAJ HIRALAL MALHOTRA HUF	68400	0.55	0	0	0	0	-0.55
HILTON STEEL FORGINGS PVT LTD	68400	0.55	0	0	0	0	-0.55
SEEMA GUJRAL	11000	0.088	0	6000	0.048	0	-0.04

(iii) Change in Promoters' Shareholding (please specify, if there is no change

	Shareholding at the beginning of the year (As on 01.04.2017)		Cumulative Shareholding during the Year(As on 31.03.2018)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Yuvraj Hiralal Malhotra				
At the beginning of the year	5575934	44.812	5575934	44.812
03-11-2017	5000	0.04	5580934	44.852
10-11-2017	1000	0.01	5581934	44.86
17-11-2017	12000	0.10	5593934	44.956
08-12-2017	68400	0.55	5662334	45.506
At the End of the year	5662334	45.506	5662334	45.506
Yuvraj Hiralal Malhotra HUF				
At the beginning of the year	68400	0.55	68400	0.55
29-12-2017	-68400	-0.55	0	0
At the End of the year	0	0	0	0
Hilton Steel Forgings Pvt Ltd				
At the beginning of the year	68400	0.55	68400	0.55
08-12-2017	-68400	-0.55	0	0
At the End of the year	0	0	0	0
Diksha Yuvraj Malhotra				
At the beginning of the year	672812	5.41	672812	5.41
28-07-2017	-337	0.00	672475	5.404
15-09-2017	-275000	-2.21	397475	3.194
22-09-2017	-49250	-0.40	348225	2.799
06-10-2017	-75750	-0.61	272475	2.19
29-12-2017	68400	0.55	340875	2.739
05-01-2018	6100	0.05	346975	2.789
At the End of the year	346975	2.789	346975	2.789
Seema Gujral				
At the beginning of the year	11000	0.09	11000	0.09
12-05-2017	-5000	-0.04	6000	0.048
At the End of the year	6000	0.048	6000	0.048

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

		Shareholding at the beginning of the year (As on 01.04.2017)		Cumulative Shareholding during the Year (As on 31.03.2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1. Subramanian P					
At the beginning of the year		354490	2.849		
Changes during the year					
Date	Reason				
07-04-2017	Buy	2000	0.02	356490	2.865
14-04-2017	Buy	900	0.01	357390	2.872
21-04-2017	Buy	7200	0.06	364590	2.93
15-09-2017	Sold	-2000	-0.02	362590	2.914
At the End of the year		362590	2.914	362590	2.914
2. Deepak Gupta					
At the beginning of the year		372737	2.996		
Changes during the year					
Date	Reason				
07-04-2017	Sold	-7000	-0.06	365737	2.939
14-04-2017	Sold	-10960	-0.09	354777	2.851
21-04-2017	Sold	-126447	-1.02	228330	1.835
05-05-2017	Buy	5831	0.05	234161	1.882
12-05-2017	Buy	2902	0.02	237063	1.905
23-06-2017	Sold	-10000	-0.08	227063	1.825
30-06-2017	Buy	10000	0.08	237063	1.905
07-07-2017	Sold	-32213	-0.26	204850	1.646
14-07-2017	Buy	2103	0.02	206953	1.663
21-07-2017	Sold	-63334	-0.51	143619	1.154
28-07-2017	Sold	-7085	-0.06	136534	1.097
04-08-2017	Sold	-847	-0.01	135687	1.09
03-11-2017	Buy	16361	0.13	152048	1.222
24-11-2017	Buy	2225	0.02	154273	1.24
01-12-2017	Sold	-777	-0.01	153496	1.234
08-12-2017	Sold	-8779	-0.07	144717	1.163
15-12-2017	Buy	4825	0.04	149542	1.202
22-12-2017	Buy	30849	0.25	180391	1.45
12-01-2018	Sold	-20000	-0.16	160391	1.289
26-01-2018	Buy	22400	0.18	182791	1.469
02-02-2018	Buy	4660	0.04	187451	1.506
09-02-2018	Buy	10707	0.09	198158	1.593
16-03-2018	Buy	12806	0.10	210964	1.695
At the End of the year		210964	1.695	210964	1.695
3. Evenort Ltd					
At the beginning of the year		150000	1.205	150000	1.205
Changes during the year		No Change During the year			
At the End of the year		150000	1.205	150000	1.205
4. Datta Satish Doshi					
At the beginning of the year		0	0	0	0
Changes during the year					
Date	Reason				
09-06-2017	Buy	79441	0.64	79441	0.638

		Shareholding at the beginning of the year (As on 01.04.2017)		Cumulative Shareholding during the Year (As on 31.03.2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
16-06-2017	Buy	111094	0.89	190535	1.531
08-09-2017	Sold	-20000	-0.16	170535	1.371
13-10-2017	Sold	-13000	-0.10	157535	1.266
20-10-2017	Sold	-705	-0.01	156830	1.26
03-11-2017	Sold	-6830	-0.05	150000	1.205
10-11-2017	Sold	-5000	-0.04	145000	1.165
02-02-2018	Sold	-2000	-0.02	143000	1.149
09-02-2018	Sold	-3000	-0.02	140000	1.125
23-03-2018	Sold	-40000	-0.32	100000	0.804
At the End of the year		100000	0.804	100000	0.804
5. Karvy Stock Broking Ltd					
At the beginning of the year		72032	0.579		
Changes during the year					
Date	Reason				
07-04-2017	Sold	-120	0.00	71912	0.578
14-04-2017	Sold	-600	0.00	71312	0.573
21-04-2017	Buy	1838	0.01	73150	0.588
28-04-2017	Buy	5148	0.04	78298	0.629
05-05-2017	Sold	-570	0.00	77728	0.625
12-05-2017	Buy	110	0.00	77838	0.626
19-05-2017	Buy	3390	0.03	81228	0.653
26-05-2017	Sold	-1670	-0.01	79558	0.639
02-06-2017	Sold	-2490	-0.02	77068	0.619
09-06-2017	Sold	-2255	-0.02	74813	0.601
16-06-2017	Buy	15302	0.12	90115	0.724
23-06-2017	Sold	-509	0.00	89606	0.72
30-06-2017	Buy	924	0.01	90530	0.728
07-07-2017	Sold	-11546	-0.09	78984	0.635
14-07-2017	Sold	-1100	-0.01	77884	0.626
21-07-2017	Buy	3113	0.03	80997	0.651
28-07-2017	Buy	11721	0.09	92718	0.745
04-08-2017	Buy	4506	0.04	97224	0.781
11-08-2017	Buy	746	0.01	97970	0.787
18-08-2017	Buy	8493	0.07	106463	0.856
25-08-2017	Sold	-5866	-0.05	100597	0.808
01-09-2017	Buy	5680	0.05	106277	0.854
08-09-2017	Sold	-8183	-0.07	98094	0.788
15-09-2017	Buy	20168	0.16	118262	0.95
22-09-2017	Sold	-4385	-0.04	113877	0.915
30-09-2017	Sold	-3703	-0.03	110174	0.885
06-10-2017	Buy	2086	0.02	112260	0.902
13-10-2017	Buy	3354	0.03	115614	0.929
20-10-2017	Sold	-320	0.00	115294	0.927
27-10-2017	Sold	-6019	-0.05	109275	0.878
03-11-2017	Sold	-2077	-0.02	107198	0.862
10-11-2017	Sold	-1956	-0.02	105242	0.846
17-11-2017	Sold	-3920	-0.03	101322	0.814

		Shareholding at the beginning of the year (As on 01.04.2017)		Cumulative Shareholding during the Year (As on 31.03.2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
24-11-2017	Sold	-5211	-0.04	96111	0.772
01-12-2017	Buy	9529	0.08	105640	0.849
08-12-2017	Sold	-11833	-0.10	93807	0.754
15-12-2017	Sold	-107	0.00	93700	0.753
22-12-2017	Sold	-925	-0.01	92775	0.746
29-12-2017	Sold	-71	0.00	92704	0.745
05-01-2018	Buy	3444	0.03	96148	0.773
12-01-2018	Sold	-2723	-0.02	93425	0.751
19-01-2018	Buy	5245	0.04	98670	0.793
26-01-2018	Sold	-650	-0.01	98020	0.788
02-02-2018	Sold	-2890	-0.02	95130	0.765
09-02-2018	Buy	2124	0.02	97254	0.782
16-02-2018	Sold	-465	0.00	96789	0.778
23-02-2018	Sold	-15	0.00	96774	0.778
02-03-2018	Sold	-643	-0.01	96131	0.773
09-03-2018	Sold	-1600	-0.01	94531	0.76
16-03-2018	Buy	318	0.00	94849	0.762
23-03-2018	Sold	-316	0.00	94533	0.76
At the End of the year		-15	0.00	94518	0.76
6. Chirag Shantilal Shah					
At the beginning of the year		110000	0.884	110000	0.884
Changes during the year					
Date	Reason				
07-04-2017	Sold	-2000	-0.02	108000	0.868
21-04-2017	Sold	-1000	-0.01	107000	0.86
02-06-2017	Sold	-500	0.00	106500	0.856
09-06-2017	Sold	-500	0.00	106000	0.852
16-06-2017	Sold	-6000	-0.05	100000	0.804
23-06-2017	Sold	-100	0.00	99900	0.803
07-07-2017	Sold	-2900	-0.02	97000	0.78
14-07-2017	Sold	-200	0.00	96800	0.778
21-07-2017	Sold	-12300	-0.10	84500	0.679
28-07-2017	Sold	-8021	-0.06	76479	0.615
11-08-2017	Sold	-1479	-0.01	75000	0.603
17-11-2017	Sold	-5000	-0.04	70000	0.563
01-12-2017	Sold	-500	0.00	69500	0.559
22-12-2017	Sold	-500	0.00	69000	0.555
19-01-2018	Sold	-1500	-0.01	67500	0.542
At the End of the year		67500	0.542	67500	0.542
7. Haresh Kashinath Bhobe					
At the beginning of the year		45857	0.369	45857	0.369
Changes during the year					
Date	Reason				
05-05-2017	Buy	300	0.00	46157	0.371
12-05-2017	Buy	700	0.01	46857	0.377
09-06-2017	Buy	2802	0.02	49659	0.399
30-06-2017	Buy	6607	0.05	56266	0.452

		Shareholding at the beginning of the year (As on 01.04.2017)		Cumulative Shareholding during the Year (As on 31.03.2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
07-07-2017	Buy	3003	0.02	59269	0.476
03-11-2017	Sold	-50000	-0.40	9269	0.074
10-11-2017	Buy	50000	0.40	59269	0.476
19-01-2018	Buy	1604	0.01	60873	0.489
26-01-2018	Buy	301	0.00	61174	0.492
09-02-2018	Buy	1654	0.01	62828	0.505
09-03-2018	Sold	-200	0.00	62628	0.503
16-03-2018	Buy	2000	0.02	64628	0.519
At the End of the year		64628	0.519	64628	0.519
8. Sanjaykumar Vishwambharlal Dhandhar					
At the beginning of the year		0	0	0	0
Changes during the year					
Date	Reason				
19-01-2018	Buy	50000	0.402	50000	0.402
At the End of the year		50000	0.402	50000	0.402
9. P Dharmichand Jain (HUF).					
At the beginning of the year		0	0	0	0
Changes during the year					
Date	Reason				
29-12-2017	Buy	3000	0.402	3000	0.024
31-12-2017	Buy	27000	0.22	30000	0.241
12-01-2018	Buy	19900	0.16	49900	0.401
At the End of the year		49900	0.401	49900	0.401
10. Pranav Satish Joshi					
At the beginning of the year		0	0	0	0
Changes during the year					
Date	Reason				
16-06-2017	Buy	15000	0.12	15000	0.121
21-07-2017	Buy	7000	0.06	22000	0.177
28-07-2017	Buy	40000	0.32	62000	0.498
12-01-2018	Sold	-12000	-0.10	50000	0.402
02-02-2018	Sold	-2000	-0.02	48000	0.386
At the End of the year		48000	0.386	0.39	0.386
11. Sony Sebastian					
At the beginning of the year		283900	2.282	283900	2.282
Changes during the year					
Date					
22-12-2017	Sold	-30000	-0.24	253900	2.041
12-01-2018	Sold	-240348	-1.93	13552	0.109
19-01-2018	Sold	-9050	-0.07	4502	0.036
16-03-2018	Sold	-4250	-0.03	252	0.002
At the End of the year		252	0.002	252	0.002

		Shareholding at the beginning of the year (As on 01.04.2017)		Cumulative Shareholding during the Year (As on 31.03.2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
12. Rahn And Bodmer					
At the beginning of the year		583000	4.685	583000	4.685
Changes during the year					
Date	Reason				
21-04-2017	Sold	-32021	-0.26	550979	4.428
28-04-2017	Sold	-93581	-0.75	457398	3.676
05-05-2017	Sold	-85139	-0.68	372259	2.992
12-05-2017	Sold	-372259	-2.992	0	0
At the End of the year			0	0	0
13. Omprakash Siremalji Kanungo					
At the beginning of the year		172278	1.385	172278	1.385
Changes during the year					
Date	Reason				
21-04-2017	Sold	-2364	-0.02	169914	1.366
09-06-2017	Sold	-4644	-0.04	165270	1.328
23-06-2017	Sold	-38316	-0.31	126954	1.02
21-07-2017	Sold	-36507	-0.29	90447	0.727
28-07-2017	Sold	-78238	-0.63	12209	0.098
08-09-2017	Sold	-12209	-0.098	0	0
At the End of the year		0	0	0	0
14. Sumangal Shares & Securities Private Limited					
At the beginning of the year		74779	0.601	74779	0.601
Changes during the year					
Date	Reason				
21-04-2017	Sold	-50756	-0.41	24023	0.193
28-04-2017	Buy	13000	0.10	37023	0.298
16-06-2017	Sold	-10000	-0.08	27023	0.217
23-06-2017	Sold	-15000	-0.12	12023	0.097
21-07-2017	Sold	-7023	-0.06	5000	0.04
09-02-2018	Sold	-5000	-0.04	0	0
At the End of the year		0	0	0	0
15. Praful Mehta					
At the beginning of the year		72600	0.583	72600	0.583
Changes during the year					
Date	Reason				
21-07-2017	Sold	-17000	-0.14	55600	0.447
28-07-2017	Sold	-10800	-0.09	44800	0.36
04-08-2017	Sold	-20600	-0.17	24200	0.194
11-08-2017	Sold	-6000	-0.05	18200	0.146
18-08-2017	Sold	-1200	-0.01	17000	0.137
01-09-2017	Sold	-7000	-0.06	10000	0.08
08-09-2017	Sold	-10000	-0.08	0	0
At the End of the year		0	0	0	0

(v) Shareholding of Directors and Key Managerial Personnel:

		Shareholding at the beginning of the year (As on 01.04.2017)		Cumulative Shareholding during the Year (As on 31.03.2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Yuvraj Hiralal Malhotra (Managing Director)					
At the beginning of the year		5575934	44.81	5575934	44.81
Changes during the year					
Date	Reason				
03-11-2017	Buy	5000	0.04	5580934	44.852
10-11-2017	Buy	1000	0.01	5581934	44.86
17-11-2017	Buy	12000	0.10	5593934	44.956
08-12-2017	Buy	68400	0.55	5662334	45.506
At the End of the year		5662334	45.506	5662334	45.506
Mr. Navraj Hiralal Malhotra (Whole time director)					
At the beginning of the year		149653	1.20	149653	1.20
Changes during the year		No Change During the year			
At the End of the year		149653	1.20	149653	1.20
Mrs. Diksha Yuvraj Malhotra (Director)					
At the beginning of the year		672812	5.407	672812	5.407
Changes during the year					
Date	Reason				
28-07-2017	Sold	-337	0.00	672475	5.404
15-09-2017	Sold	-275000	-2.21	397475	3.194
22-09-2017	Sold	-49250	-0.40	348225	2.799
06-10-2017	Sold	-75750	-0.61	272475	2.19
29-12-2017	Buy	68400	0.55	340875	2.739
05-01-2018	Buy	6100	0.05	346975	2.789
At the End of the year		346975	2.789	346975	2.789
Mr. Harmohindar Singh Dhingra (Director)					
At the beginning of the year		1250	0.00	1250	0.00
Changes during the year		No Change During the year			
At the End of the year		1250	0.00	1250	0.00
Mr. Rajiv Sushil Verma (Director)					
At the beginning of the year		0	0	0	0
Changes during the year		No Change During the year			
At the End of the year		0	0	0	0
Mr. Sanjay Suresh Jain (Director)					
At the beginning of the year		0	0	0	0
Changes during the year		No Change During the year			
At the End of the year		0	0	0	0
Mr. Manoj Kumar More (Director)					
At the beginning of the year		0	0	0	0
Changes during the year		No Change During the year			
At the End of the year		0	0	0	0
Mr. Joseph William Mckay (Director)					
At the beginning of the year		0	0	0	0
Changes during the year		No Change During the year			
At the End of the year		0	0	0	0

	Shareholding at the beginning of the year (As on 01.04.2017)		Cumulative Shareholding during the Year (As on 31.03.2018)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Yashika Malhotra (CFO) #				
At the beginning of the year	0	0	0	0
Changes during the year	No Change During the year			
At the End of the year	0	0	0	0
Ms. Pragati Pramod Nathani (CS) ##				
At the beginning of the year	0	0	0	0
Changes during the year	No Change During the year			
At the End of the year	0	0	0	0
Mr. Sajan Mahesh Motwani ###				
At the beginning of the year	0	0	0	0
Changes during the year	No Change During the year			
At the End of the year	0	0	0	0

#Ms. Yashika Malhotra has appointed as CFO w.e.f. 26.05.2017

Ms. Pragati Pramod Nathani has been appointed as Company Secretary w.e.f. 11.01.2017 and tendered her resignation w.e.f. 11.12.2017

Mr. Sajan Mahesh Motwani is appointed as Company Secretary w.e.f. 29.03.2018

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i.e. 1st April, 2017	2441.18	120.900	NIL	2562.08
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due				
Total (i+ii+iii)	2441.18	120.900	**NIL**	2562.08
Change in Indebtedness during the financial year				
• Addition	789.09	68.57	NIL	857.66
• Reduction	NIL	NIL	NIL	NIL
Net Change	789.09	68.57	NIL	857.66
Indebtedness at the end of the financial year i.e. 31st March, 2018	**3230.27**	**189.470**	**NIL**	**3419.74**
i) Principal Amount	**NIL**	**NIL**	**NIL**	**NIL**
ii) Interest due but not paid	**NIL**	**NIL**	**NIL**	**NIL**
iii) Interest accrued but not due				
Total (i+ii+iii)	**3230.27**	**189.470**	NIL	**3419.74**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In Rs.)

Particulars of Remuneration	Mr. Yuvraj Hiralal Malhotra (Managing Director)	Mr. Navraj Hiralal Malhotra (Whole-time Director)	Mrs. Diksha Yuvraj Malhotra (Executive Director)	Total Amount
Gross salary				
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000	24,00,000	30,00,000	**1,14,00,000**
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	NIL
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	NIL
Stock Option	-	-	-	NIL
Sweat Equity	-	-	-	NIL
Commission - as % of profit - others	-	-	-	NIL
Others	-	-	-	NIL
Total	60,00,000	24,00,000	30,00,000	
Total (A)				**1,14,00,000**
Ceiling as per the Act	Within the limits as approved by the Shareholders			

B. Remuneration to other directors:

(In Rs.)

Particulars of Remuneration	Total Amount			
Independent Directors	**Mr. Harmohindar Singh Dhingra**	**Mr.Rajiv Sushil Verma**	**Mr. Sanjay Suresh Jain**	**Mr. Manoj Kumar More**
• Fee for attending board / committee meetings	49500	-	-	55000
• Commission	-	-	-	-
• Others	-	-	-	-
Total (1)	**49,500**		**-**	**55,000**
Other Non-Executive Directors	**Mr. Joseph William Mckay**	**Total Amount (In Rs.)**		
• Fee for attending board / committee meetings	-	1,04,500/-		
• Commission	-	-		
• Others	-	-		
Total (2)	**-**	**-**		
Total (B)=(1+2)		**1,04,500**		
Total Managerial Remuneration (A+B)		**1,15,04,500**		
Overall Ceiling as per the Act		**NA****		

***The Remuneration to the Managerial Personnel is given as per Schedule V of the Companies Act, 2013.*

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(In Rs.)

Particulars of Remuneration	Key Managerial Personnel			Total Amount
	Ms. Pragati Pramod Nathani (Company Secretary)*	Ms. Yashika Malhotra (CFO)**	Mr.Sajan Mahesh Motwani Secretary)***	
Gross salary	-	-		-
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,44,600	12,00,000	0	13,44,600
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-		-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-		-
Stock Option	-	-		-
Sweat Equity	-	-		-
Commission - as % of profit - others	-	-		-
Others	-	-		-
Total	**144,600**	**12,00,000**	**0**	**13,44,600**

** Ms. Pragati Pramod Nathani has been appointed as Company Secretary w.e.f. 11.01.2017 and tendered her resignation w.e.f. 11.12.2017*

***Ms. Yashika Malhotra has appointed as CFO w.e.f. 26.05.2017*

****Mr. Sajan Mahesh Motwani is appointed as Company Secretary w.e.f. 29.03.2018*

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/Court]	Appeal made, if any (give details)
A. COMPANY					
Penalty			**NONE**		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			**NONE**		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			**NONE**		
Punishment					
Compounding					

ANNEXURE II

REMUNERATION POLICY OF HILTON METAL FORGING LIMITED FOR THE MEMBERS OF BOARD AND EXECUTIVE MANAGEMENT.

1. Preamble:

1.1 The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "Executives"). The expression ''senior management'' means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

1.2 The policy would be reviewed every year by the Nomination and Remuneration Committee of the Board of Directors.

2. Aims & Objectives

2.1 The aims and objectives of this remuneration policy may be summarized as follows:

2.1.1 The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and Executive level.

2.1.2 The remuneration policy seeks to enable the company to provide a well balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.

2.1.3 The remuneration policy will ensure that the interests of Board members & Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.

2.1.4 The remuneration policy will ensure that remuneration to Directors and Executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

3. Principles of remuneration

3.1 Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.

3.2 Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

3.3 Internal equity: The Company shall remunerate the board members and the Executives in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.

3.4 External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people and the influence of external remuneration pressures.

3.5 Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.

3.6 Performance-Driven Remuneration: The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.

3.7 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

4. Nomination and Remuneration Committee

4.1 The Remuneration and Compensation Committee of the Board of Directors shall be re-named as Nomination and Remuneration Committee. Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors.

4.2 The Committee shall be responsible for

4.2.1 Formulating framework and/or policy for remuneration, terms of employment including service contracts, , policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodic basis;

4.2.2 Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Director.

4.2.3 Identifying persons who are qualified to become directors and who may be appointed as Executives in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out their evaluation.

4.2.4 Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;

4.3 The Committee shall:

4.3.1 review the ongoing appropriateness and relevance of the remuneration policy;

4.3.2 ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;

4.3.3 obtain reliable, up-to-date information about remuneration in other companies;

4.3.4 ensure that no director or Executive is involved in any decisions as to their own remuneration.

4.4 Without prejudice to the generality of the terms of reference to the Nomination and Remuneration Committee set out above, the Committee shall:

4.4.1 operate the Company's share option schemes (if any) or other incentives schemes (if any) as they apply to. It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to individuals to be at the discretion of the Board) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment); 4.4.2 liaise with the trustee / custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors and Director should possess the highest personal and professional ethics, integrity and

4.4.3 review the terms of executive Directors' service contracts from time to time.

5 Procedure for selection and appointment of the Board Members

5.1 Board membership criteria The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations. In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust. The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.

5.2 Selection of Board Members/ extending invitation to a potential director to join the Board 6 Procedure for selection and appointment of Executives other than Board Members

6.1 The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel, and produce a written document thereon;

6.2 The Committee may conduct a wide-ranging search for candidates for the positions of Employees within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, if any, and on the human resources market;

6.3 The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;

6.4 A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of the Employees;

6.5 Before the selection of Employee, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;

6.6 The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors. One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member. The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director is appointed by the Board.

7. Compensation Structure

(a) Remuneration to Non-Executive Directors: The Non-executive Directors of the company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The sitting fees paid to the Non-executive Directors for attending meetings of Board of Directors and Audit Committee of Board of Directors will be as per industrial norms and mutually agreed from time to time. Beside the sitting fees they are also entitled to reimbursement of expenses. The Non-executive Directors of the Company are not paid any other remuneration or commission. The sitting fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees of Board of Directors may be modified or implemented from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013. (b) Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) &

(b) Senior Management Personnel (s) (SMPs): The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The remuneration determined for MD/WTDs, KMPs and SMPs are subjected to the approval of the Board of Directors in due compliance of the provisions of Companies Act, 2013. The remuneration for the KMP and the SMP at the time of the appointment has to be approved by the Board but any subsequent increments shall be approved by the Managing Director of the Company as per the HR policy of the Company and ratified by the Board. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

8. Role of Independent Directors

8.1 The Committee shall, in consultation with the Independent Directors of the Company, prepare and submit this policy to the Board for its approval

8.2 The Independent Directors shall have power and authority to determine appropriate levels of remuneration of executive directors and Employees and have a prime role in appointing and where necessary recommend removal of executive directors and Employees.

8.3 The Independent Directors shall submit its recommendations/ proposals/ decisions to the Committee which the Committee shall consult and take to the Board of Directors.

9. Approval and publication

9.1 This remuneration policy as framed by the Committee shall be recommended to the Board of Directors for its approval.

9.2 This policy shall be hosted on the Company's website.

9.3 The policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013 10 Supplementary provisions

10.1 This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.

10.2 Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant state laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.

10.3 The right to interpret this Policy vests in the Board of Directors of the Company.

Annexure - III

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

The Members,

HILTON METAL FORGING LIMITED

701, Palm Spring, Link Road,

Mumbai-400064

I have conducted the secretarial audit of the compliance of applicable statutory provisions under the Companies Act, 2013, regulations laid down by the Securities and Exchange Board of India (SEBI), Foreign Exchange Regulations and other applicable laws listed hereinbelow and the adherence to good corporate practices by **HILTON METAL FORGING LIMITED** (hereinafter called the "Company") for the audit period covering the financial year ended on 31st March 2018. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2018, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have relied on and examined the books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to me at its Registered office for the financial year ended on 31st March 2018, according to the provisions of:
   - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
   - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
   - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
   - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment
   - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
     - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
     - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
     - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015
2. There were no actions/ events in pursuance of following Regulations of SEBI requiring compliance thereof by the Company during the period under review:
   - (i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009;
   - (ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   - (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
   - (iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
   - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
   - (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
3. Provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings and Overseas Direct Investment were not attracted during the year under review;
4. Based on the information provided and review of the Compliances Report of Managing Director taken on record by the Board of the Company and also relying on the representation made by the Company and its Officers, in my opinion adequate system and process exists in the company to monitor and ensure compliances with the provisions of general and other industry and sector specific Laws and Regulations applicable to the Company, as identified and confirmed by the management of the company and listed in **Annexure -A** to this report.
5. I have also examined compliance with the applicable clauses of the Secretarial Standards applicable with effect from 1st October 2017 issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above and there are no material non-compliances that have come to my knowledge except non-compliance in respect of:

1. *Non- filing of Annual return on Foreign Liabilities and Assets for the year ended on March 2018 within the due date.*

I further report that compliances of finance and tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory Auditors and other designated professionals.

I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors that took place during the period under review.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period under report, no events/actions occurred which had major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards, guidelines etc. referred to above:

HARESH SANGHVI
PRACTISING COMPANY SECRETARY
FCS-2259 COP - 3675

Date: 10/08/2018
Place: Mumbai.

Note: This report is to be read with our letter of even date which is annexed as **ANNEXURE-B** and forms an integral part of this report.

ANNEXURE- A

List of applicable laws to the Company

a) The Company has complied with the laws and regulations applicable specifically to the Company given its business:

1. Legal Metrology Act, 2009.
2. Water (Prevention & Control of Pollution) Act 1974 and rules thereunder
3. Air (Prevention & Control of Pollution) Act 1981 and rules thereunder.
4. The Environment (Protection) Act, 1986

b) All General Laws related to Direct and Indirect Taxation, Labour Laws and other incidental laws of respective States

HARESH SANGHVI
PRACTISING COMPANY SECRETARY
FCS-2259 COP - 3675

Date: 10/08/2018
Place: Mumbai.

ANNEXURE- B

The Members,
HILTON METAL FORGING LIMITED
701, Palm Spring, Link Road,
Mumbai- 400064.

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whenever required, I have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

HARESH SANGHVI
PRACTISING COMPANY SECRETARY
FCS-2259 COP - 3675

Date: 10/08/2018
Place: Mumbai.

ANNEXURE-V

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

i) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2017-18, ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

(In Rs.)

Sr. No.	Name of the Director/KMP and Designation	Remuneration of Director/KMP for the financial year 2017-18	% increase in Remuneration in the financial year 2017-18	Ratio of the remuneration of each director to the median remuneration of the employees
1	Mr. Yuvraj Hiralal Malhotra (Managing Director)	60,00,000	0%	52.63
2	Mr. Navraj Hiralal Malhotra (Whole Time Director)	24,00,000	0%	21.05
3	Mrs. Diksha Yuvraj Malhotra (Director)	30,00,000	0%	26.32
4	Mr. Harmohindar Singh Dhingra^ (Independent Director)	-	-	-
5	Mr. Rajiv Sushil Verma^ (Independent Director)	-		-
6	Mr. Sanjay Suresh Jain^ (Independent Director)	-	-	-
7	Mr. Manoj Kumar More^ (Independent Director)	-	-	-
8	Mr. Joseph William Mckay (Non-executive Director)	-	-	-
9	Mr. Sajan Mahesh Motwani (Company Secretary)	-	NA*	-
11	Ms. Pragati Pramod Nathani (Company Secretary)	1,45,000	NA#	-
12	Ms. Yashika Yuvraj Malhotra (CFO)	10,73,000	NA##	-

^*None of the Independent Directors are in receipt of remuneration.*

 # Ms. Pragati Pramod Nathani was appointed as Company Secretary w.e.f. 11.01.2017 and has tendered her resignation w.e.f. 11.12.2017

**Mr. Sajan Mahesh Motwani is appointed as Company Secretary w.e.f. 29.03.2018*

##Ms.Yashika Yuvraj Malhotra is appointed as Chief Financial Officer w.e.f. 26.05.2017

ii) **The percentage increase in the median remuneration of employees in the financial year**;

The % increase in median remuneration of employee is nil %.

iii) **The number of permanent employees on the rolls of company**

81 employees as on the rolls of Company as on 31st March, 2018

iii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

Average percentile increase in the salaries of employees other than the managerial personnel in F.Y. 2017-18	Average percentile increase in managerial remuneration in F.Y. 2017-18	Justification
Nil	**Nil**	

Note: Company Secretary is appointed in the financial year 2017-18 w.e.f. 29.03.2018

xi) Affirmation that the remuneration is as per the remuneration policy of the company

The Company's remuneration policy is driven by success and performance of the individual employees and the company. Remuneration paid during the year ended March 31, 2018 is as per Remuneration policy of the Company

For and on behalf of the Board of Directors

Sd/-

Yuvraj Malhotra
Chairman & Managing Director
DIN:00225156

Place: Mumbai
Dated: 24/08/2018

MANAGEMENT DISCUSSION & ANALYSIS

1. GLOBAL ECONOMY

Despite recent softening, global economic growth will remain robust at 3.1 percent in 2018 before slowing gradually over the next two years, as advanced-economy growth decelerates and the recovery in major commodity-exporting emerging market and developing economies levels off, the World Bank said.

"If it can be sustained, the robust economic growth that we have seen this year could help lift millions out of poverty, particularly in the fast-growing economies of South Asia," **World Bank Group President Jim Yong Kim** said. "But growth alone won't be enough to address pockets of extreme poverty in other parts of the world. Policymakers need to focus on ways to support growth over the longer run—by boosting productivity and labor force participation—in order to accelerate progress toward ending poverty and boosting shared prosperity."

Activity in advanced economies is expected to grow 2.2 percent in 2018 before easing to a 2 percent rate of expansion next year, as central banks gradually remove monetary stimulus, the June 2018 *Global Economic Prospects* says. Growth in emerging market and developing economies overall is projected to strengthen to 4.5 percent in 2018, before reaching 4.7 percent in 2019 as the recovery in commodity exporters matures and commodity prices level off following this year's increase.

This outlook is subject to considerable downside risks. The possibility of disorderly financial market volatility has increased, and the vulnerability of some emerging market and developing economies to such disruption has risen. Trade protectionist sentiment has also mounted, while policy uncertainty and geopolitical risks remain elevated.

A Special Focus cautions that, over the long run, the anticipated slowdown in global commodity demand could put a cap on commodity price prospects and thus on future growth in commodity-exporting countries. Major emerging markets have accounted for a substantial share of the increase in global consumption of metals and energy over the past two decades, but growth of their demand for most commodities is expected to decelerate, the Special Focus section says.

"The projected decline in commodities' consumption growth over the long run could create challenges for the two-thirds of developing countries that depend on commodity exports for revenues," said **World Bank Senior Director for Development Economics, Shantayanan Devarajan.** "This reinforces the need for economic diversification and for strengthening fiscal and monetary frameworks."

2. INDIAN ECONOMY

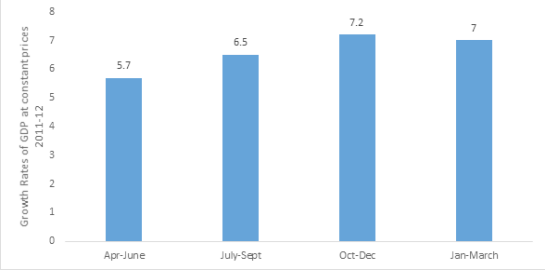
As Financial Year 2017-18 (FY18) draws to a close, it is worth taking a look at India's economic performance over what has been quite an interesting period. While the first quarter of the year saw the impact of demonetization settling down, in the next quarter, introduction of the landmark Goods and Services Tax (GST) brought in some uncertainties as businesses adjusted to the new regime. This did not take long, and from the third quarter onwards, signs of growth returning were evident.

- In the coming financial year, what can we expect? As global economic activity continues to strengthen, global growth is forecast to grow by 3.1% during 2018 as per the International Monetary Fund's (IMF) January 2018 World Economic Outlook. The IMF expects India to grow at 7.4% during 2018 which could increase further to 7.8% during 2019 in contrast to 6.7% during 2017.
- The Economic Survey for 2017-18 pegs the figure at 7-7.5% for the financial year ahead.

3. Gross Domestic Product

As per the second advance estimates of national income released by the Central Statistics Office in February 2018, real Gross Domestic Product (GDP) at constant prices is estimated to grow at 6.6% for 2017-18. The Indian economy achieved an impressive growth rate of 7.2%, a five-quarter high during the third quarter (Oct-Dec) of FY18 as opposed to 6.5% in the second quarter. India also regained its tag of the fastest growing major economy in the third quarter.

Quarterly GDP Figures 2017-18



Note: Jan-March is the expected growth rate during 4th quarter, CII calculation based on CSO's estimate of 6.6% annual growth rate during 2017-18

Source: Central Statistics Office; Q4 is estimates

The strong growth registered in the third quarter was primarily on account of the good performance of the manufacturing and construction sectors. The manufacturing sector registered a growth rate of 8.1% as compared to 6.9% in the previous quarter while the construction sector recorded a growth rate of 6.8% in contrast to 2.8% during the previous quarter.

4. Gross Value Added

Gross Value Added (GVA) at basic constant prices for 2017-18 is expected to be around 6.4% as against 7.1% in 2016-17.

Sectors such as public administration, defense and other services; trade, hotels, transport, communication and services related to broadcasting; electricity, gas and water supply and other utility services and financial, real estate and professional services are anticipated to register a growth rate of over 7%.

At the sectoral level, agriculture, industry and services are expected to grow at 3%, 4.8% and 8.3% respectively during FY18.

5. Index of Industrial Production

Industrial growth also recovered with the Index of Industrial production (IIP) registering an impressive growth rate of 7.5% in January 2018 as compared to 2.4% in January 2017. The cumulative growth for the period April-Jan 2017-18 stood at 3.7% in contrast to 5.1% growth registered during April-Jan 2016-17.

The faster pace of growth for January 2018 can be accorded to the growth of the Manufacturing and Electricity sectors. During April-Jan 2018, the Manufacturing sector registered a growth rate of 4.3% while the Electricity sector grew at 5.3% for the same period.

Manufacturing sub-sectors such as pharmaceuticals, electronics and transport equipment registered robust double digit growth rates, while growth in other sectors such as electrical equipment, garments and textiles slackened.

6. Exports

Indian exports exhibited positive growth during February 2018 at 4.48% in dollar terms over February 2017. Cumulative value of exports for the period April-Feb 2017-18 at US$ 273 billion expanded by around 11% over the same period during 2016-17.

Major commodity groups of export that recorded positive growth in February FY18 over the corresponding month of last year included Petroleum Products, Organic & Inorganic Chemicals, Drugs & Pharmaceuticals, Rice and Electronic Goods.

India's current account deficit (CAD) stood at US$ 13.5 billion accounting for 2% of GDP in the third quarter (Oct-Dec) of 2017-18, higher than US$ 8 billion (1.4% of GDP) during third quarter of 2016-17 and US$ 7.2 billion (1.1% of GDP) in the preceding quarter.

The widening of CAD on a year-on-year basis was the result of the increased trade deficit which stood at US$ 44.1 billion during the period.

The global economy is stabilising with favourable global trade and financial conditions. Domestically, GST promises to deliver positive outcomes as India becomes a single, more competitive market. We can look forward to an upward growth path for India in FY 2018-19.

The global impression die forging market size was $18,293.6 million in 2017, and is projected to reach $27,163.6 million in 2024, growing at a CAGR of 5.2% from 2018 to 2025. Impassion die forging is a metal deformation process where pressure is utilized to compress a piece of metal to fill in an enclosed die impression. Impression die forging method is typically used to manufacture more complex shapes than open-die forging. The forging components manufactured from impression die forging process are more precise and closer to the desired shape, often reducing the need for subsequent machining.

The global market for impression die forging is segmented based on component type, metal type, order type, end user industry, and geography. Based on component type, it is classified into landing gears, jet engine & turbine shafts, crankshafts, connecting rods, gears, and others. By metal type, it is divided into steel alloys, titanium alloys, iron-based heat-resistant alloys, nickel-based alloys, and others. Steel is the most commonly used metal for closed die forging. Based on order type, the market is bifurcated into custom forgings and catalogue forgings.

Custom forgings accounted for majority share in past, is expected to maintain its dominance throughout the forecasted period. Based on end user, it is classified into aerospace, oil & gas, shipbuilding, construction equipment, railways, defense, food, and others.

The capital-intensive nature of the global forging market accounts for the clear dominance of well-entrenched players that operate in international markets. This poses challenge for small players that compete with large players with respect to quality, features, functionalities, and services. The use of newer technologies by large players to add qualitative value to existing products will further add to the woes of small players.

The key application segments of the global forging market are automotive, wind, oil & gas, power generation, agriculture, ordinance, mining, construction, aerospace, and others. Amongst all, automotive is the leading application segment of the market.

The closed die forging segment (impression die forging) is the dominant segment in the global forging market and is anticipated have a continuous growth over the forecast period. This is due to its high dimensional accuracy and fine surface finishing. The aerospace and automotive industry is the biggest end users of the closed die forging method.

7. Opportunity and Threats

Forging has unique value among manufacturing processes. The industry is a key link between critical manufacturing segments--metal suppliers (both ferrous and nonferrous) and end user industries. Forgings are intermediate products used widely by original equipment manufacturers in the production of durable goods. They range in size from less than an ounce to more than 150 tons and are found in the machines, vehicles and equipment used to generate our industrial economy.

Forging imparts advantages that few processes can duplicate. The industry's future is based on improving upon these advantages. The following are features of forging that make the process and industry so important to designers and users (specifiers) of components:

- Forgings can be manufactured from readily available bar stock,
- Almost all metals and alloys can be forged,
- There are few restrictions on part size,
- Forgings can produce high tolerance features,
- The products are fully recyclable,
- Forgings impart high strength and reliability to components
- Forgings typically have relatively low life cycle costs.

8. Company overview:

In order to meet the competitive challenges of the future and achieve its vision, HMFL must fortify itself in several critical areas: technology development and application; energy and the environment; and human resources.

Specific areas in which technological issues need to be addressed include materials, die design and modeling, lubrication, process modeling and optimization software, process controls and sensors, real-time preventative maintenance, and primary and secondary processing equipment.

HMFL intend to start mass production of Railway wheels, which at present no one produces in India. HMFL has decided to take a call and made assessment of material that is used for the production of wheels and special kind of treatment that requires to-increase the strength to with stand with the pressure of carry load in excess of 25000MT as well wear and tear.

Modern rolling stock material – especially for high speed wheels – needs modern heat treatment technologies to assure highest quality and product safety combined with cost efficient mass production

Railway wheels belong to the most stressed components of railway vehicles. They carry axle loads of up to 25 tonnes and more. They guide the train on the track, through curves and switches and are subjected to wear processes. They transfer acceleration and deceleration forces to the rails and are exposed to thermal stressing due to sliding and block breaking processes. Moreover, considerable centrifugal forces are acting especially on high speed wheels. Different functional parts of the wheel such as flange, rim, centre or hub fulfill different tasks and have therefore different material properties. These properties are mainly determined by the chemical composition of the wheel material, hot forming and – most of all – by the heat treatment process.

Railway wheels are usually made of unalloyed or low alloyed steels with a high degree of purity. Tight tolerances for the single alloying elements are desired in order to assure a low variation of the material properties from heat to heat. National and international standards such as UIC 812-3V (UIC 1984), GOST 10791 (GOST 2004), AAR M107-84 (AAR 1988), or EN 13262 (EN 2004) define the wheel steel grades and partly also their manufacturing.

The heat treatment of the wheels is of central importance in providing the wheel with the necessary product properties. Railway wheels are heat treated by means of a so-called rim hardening process. After austenitisation at temperatures close to 900°C, only the wheel rim is rapidly cooled to temperatures of about 300°C – usually by using water. After finishing the rim quenching, center and hub are still at temperatures near the transition temperature. Further cooling takes place in air, giving the wheel rim high strength and compressive residual stresses and producing a more flexible wheel centre. The final annealing step at about 500°C can be considered to be a stress relief treatment with no significant changes to the microstructure or the mechanical properties of the wheel material.

A main goal of the heat treatment process is high homogeneity of the microstructure of the rim in a radial and circumferential direction. This is optimal for a uniform wear characteristic of the wheel tread and assures highest travelling comfort due to the prevention of wheel un-roundnesses. Additionally, wheel damages such as rolling contact fatigue failures will be minimised.

As explained above, the controlled cooling of the wheels is the most important heat treatment step. It mainly defines microstructure and mechanical properties and therefore the quality of the product. The actual cooling rate at the wheel is analysed online and the temperature measurements are compared with the desired cooling rate.

The hardening and annealing furnaces are designed as bogie hearth pusher furnaces with an energy-saving light material fiber lining. The design allows for very easy and fast maintenance of the furnaces.

HMFL have 16 ton Hammer as one of the forging machinery is capable of producing a piece of 750 KG forging. The said hammer is very ideal for different kind of Railway wheels. To strengthen the quality we will be installing state of art heat treatment plant for which sufficient place is available at same location

Beside the above HMFL has taken measures to:

- Tooling--Increase die life by at least 2 times that of current levels. Reduce per-part die system costs by at least 50%. Produce tooling within 24 hours from time of order.
- Energy--Reduce the total forging process energy input by 20% while cutting the per-piece energy cost by some amount.
- Material utilization--Achieve a minimum overall reduction in raw material consumption of 10 to15%. Reduce the scrap rate (increase material utilization).
- Productivity--Improve per-employee productivity by 20%. Reduce per-piece labor costs by 30%. Achieve average forging

facility up-times at maximum.

- Quality--Reduce rejected or returned work to less than 25 parts per million. Achieve ±8 sigma process control.
- Environment--Generate no harmful gas combustion products; completely eliminate aerosol emissions within forging plants; and recycle all fluids necessary to forging operations.

9. Internal Control Systems and their adequacy:

The Company has in place internal financial control systems, commensurate with the size and complexity of its operations to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances. The internal auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company. Based on the report of the internal auditor, respective departments undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board for their perusal.

10. Financial Performance

(Rs. In Lakhs)

Particulars	Year Ended March 2018	Year Ended March 2017
Total revenue	9630.75	8539.24
Less: Operating Expenses & Provision	8957.46	7970.08
Profit before Interest, Depreciation & Taxes	673.29	569.16
Less: Depreciation	276.10	288.00
Less: Interest & finance Charges	308.72	303.10
Profit before Tax	88.47	(21.96)
Less: Provision for Taxation	61.26	(21.04)
Profit After Tax	27.21	(43.00)
Other Comprehensive Income	15.89	8.94
Total Comprehensive Income for the Year	43.10	34.06
Balance Brought forward	772.38	824.31
Balance Available for Appropriation	799.59	772.38
Appropriation :		
Proposed Dividend for the Financial year	-	-
Corporate Dividend Tax	-	-
Transferred to General Reserves	-	-
Surplus retained in Profit & Loss account	799.59	772.38

During the year under review, the total revenue of the company was Rs. 9630.75 Lacs as compared to Rs. 8539.24 Lacs during the previous year amounting to an increase of 12.78 %, the PAT was Rs. (43 Lacs) as compared to last year loss of Rs.27.21 Lacs Company's performance for the year under the review year was improved considerably.

11. Human Resource Management

The company believes that human resource is the most important assets of the organization. During the year under review, your company continued its efforts to improve HR related processes, practices and system to align these to the organizational objectives. Over the years, Company has maintained consistency in its efforts in training and developing its human recourses with a view to face competition.

There was satisfactory co-operation between the management and the workers in working towards the overall objectives of the company.

12. Women Centric Initiatives:

The Company is committed to provide healthy environment to all employees of HFML and does not tolerate any discrimination and/or harassment in any form. The Company has in place a stringent policy in place, to address issues pertaining to female employees and to provide a safe environment for them.

13. Cautionary Statements:

Statements made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable securities, laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.

For and on behalf of the Board of Directors

Sd/-
Yuvraj Malhotra
Chairman & Managing Director
DIN:00225156

Place: Mumbai
Dated: 24/08/2018

REPORT ON CORPORATE GOVERNANCE

1) COMPANY PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Corporate Governance is the application of best management practices, continued compliances of law and adherence to highest ethical standards to achieve the objectives of the Company of enhancing stakeholder's value and its own image. Corporate Governance, as a concept, has gained considerable importance of late, primarily because of the proposal to enshrine many of the accepted good governance principles into corporate law. The Companies Act, 2013 ('the Act') and the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ['SEBI (Listing Regulations')] have strengthened the framework of Corporate Governance for India Inc.

At Hilton Metal Forging Limited, it has been a constant endeavor to follow the principles of transparency, accountability, ethical business conduct and integrity in functioning to achieve excellence in Corporate Governance, which leads to enhance the value of all stakeholders. The Company has formulated, to ensure the high ethical and moral standards, code of business ethics and code on prohibition of insider trading. The company conducts its activities in a manner that is fair and transparent and perceived to be such by others and has always complied with the code of Corporate Governance.

2) BOARD OF DIRECTORS:

2.1 Composition and categories of Directors:

The company has broad based Board of Directors, constituted in compliance with theActand SEBI (Listing Regulation) and in accordance with highest standards of Corporate Governance in its management, which ensures judicious mix of Directors that includes the Executive, Non-Executive and Independent Directors.

Sr. No	Name	Designation/ Category of Directors
1	Mr. Yuvraj Malhotra	Chairman & Managing Director (Promoter)
2	Mr. Navraj Malhotra	Whole Time Director (Promoter)
3	Mr. Joseph McKay	Non-Executive Director
4	Mr. Sanjay Jain	Independent Non-Executive Director
5	Mr. Sukesh Kumar Joshi*	Independent Non-Executive Director
6	Mr. Rajiv Sushil Verma	Independent Non-Executive Director
7	Mr. Harmohindar Singh Dhingra	Independent Non-Executive Director
8	Mr. Manoj Kumar More**	Independent Non-Executive Director
9	Mrs Diksha Yuvraj Malhotra	Executive Director (Promoter)

*Mr. Sukesh Kumar Joshi is appointed on 06th June 2018

** Mr. Manoj Kumar More had resigned on 02nd April 2018

2.2 Profile of Board of Directors

The Board of Directors comprises highly renowned professionals drawn from diverse fields. They bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision-making process.

1) Mr. Yuvraj Malhotra, Chairman and Managing Director

Mr. Yuvraj Malhotra is one of the main promoters of the Company and has been associated with the Company since inception. He is instrumental in development and growth of the Company. He is an Engineering graduate with specialization in Mechanical Engineering. He has 30 years' experience in Forging Industry and looks after Marketing and the day to day affairs of the Company. He started his career from Mukund Iron & Steel Limited as Engineering trainee from 1989 to 1991. From 1991-1993, he worked with Akai Impex Limited (Export House) as a Materials Manager. From 1993-1994 he worked with Garg Forgings Pvt Limited as a Director. From 1994-1997, he worked with Viraj Forging Limited as a Vice President –Marketing. After resigning from Viraj Forging Limited, in 1997 he started his own proprietorship i.e M/s Hilton Forge by exporting Flanges and other Automobiles Part to various countries. He is also a promoter director of Hilton Steel Forgings Private Limited, a Company dealing in forging and other Metal Products and partner in Delta Cut tools a firm engaged in machining of all types of steel items.

2) Mr. Navraj Malhotra, Whole Time Director

Mr. Navraj Malhotra is a Commerce graduate. He looks after the Purchase, Production planning and other commercial aspects such as shipment, Liaoning with Government department etc. He has an experience of 28 years in commercial aspects of the industry.

3) Mr. Manoj Kumar More, Non-Executive and Independent Director

Mr. Manoj Kumar More**,** is a commerce graduate and a Fellow Member of the Institute of Chartered Accountants of India with 13 years of experience as a Practicing Chartered Accountant**.**

4) Mr. Harmohindar singh Dhingra, Non-Executive and Independent Director

Mr. Harmohindar singh Dhingra**,** is a commerce graduate and master's in arts with specialization in Economics/ Statistics. He is also an Associate member of Indian Institute of Bankers & A.C.C.S from London. He Retired as Deputy General Manager from Central Bank of India after 41 years of service.

5) Mr. Sanjay Jain, Non-Executive and Independent Director

Mr. Sanjay Jain is, Engineering graduate with specialization in Metallurgy. He has about 28 years of experience in the Industry.

6) Mr. Joseph William Mckay, Non- Executive and Professional Director

Mr. Joseph William Mckay is qualified metallurgist and acquired substantial experience as a Manager at Howard Balfour and Sons Limited, UK. In 1982 he set up his own Company Evenort Limited which is in the business of trading in stainless steel items such as bar, pipe, fittings and flanges.

7) Mrs. Diksha Malhotra, Executive and Non- Independent Director

Mrs. Diksha Malhotra has done Bachelor of Commerce. She has 19 years of experience in marketing forging products in international market. She looks after developing and implementing the marketing strategies for forging products.

8) Mr. Rajiv Verma, Non-Executive and Independent Director

Mr. Rajiv Verma, has done Bachelor of Engineering, having more than 28 years of experience in Engineering and Technology field.

9) Mr. Sukesh Kumar Joshi, Non- Executive and Independent Director

Mr. Sukesh Kumar Joshi, aged 64 Years, has done Bachelor of Engineering& Technology, having more than 39 Years of Experience in Various areas of Engineering & Technology through inorganic growth in the field of Engines, Tractor & Generating Sets.

He Worked at Senior Position in Companies like HMT Ltd, Force Ltd & Mahindra & Mahindra Ltd, leading development of new products & Converting them to business models with Customer delight.

During his tenure with Mahindra & Mahindra Ltd, he had worked in China for about 7 Years to bring in Joint Venture through techno-Commercial Skills.

2.3 BOARD MEETINGS, ATTENDANCE AND OTHER DETAILS:

During the financial year under review, Six Board Meetings were held at Mumbai on 11th April 2017, 26th May 2017, 11th August 2017, 01st November 2017, 08th December 2017 12th February, 2018. The maximum time gap between any two consecutive Board Meetings does not exceed 120 days.

In compliance with Section 165(1) of the Act, and Regulation 25(1) of SEBI (Listing Regulations), none of the Director of the Company is a director on the board of more than 20 Companies (including 10 Public Limited Companies) or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Director is a member of more than 10 Committees or act as Chairman of more than 5 Committees across all Companies in which they are Directors.

The compositions of the Board, attendance at the Board meetings held during the Financial Year under review and at the last Annual General Meeting, number of directorship, Memberships/Chairmanships of the Committees of public companies and their shareholding as on March 31, 2018 in the Company are as follows: -

Name of Directors	DIN	Designation/ Category of Directors	No. of Board Meetings attended /held in F.Y.2017-2018	Attendance at the last A.G.M.	No. of Directorship in Listed Entity	Committee position**		No. of Equity Shares
						Chairman	Member	
Mr. Yuvraj Malhotra	00225156	Managing Director & Chairman	6/6	Y	1	Nil	1	5662334
Mr. Navraj Malhotra	00225183	Whole Time Director	6/6	Y	1	Nil	Nil	149653
Mr. Joseph McKay	00384145	Non Executive Director	1/6	N	1	Nil	Nil	Nil
Mr. Sanjay Jain	00152758	Independent Non Executive	4/6	Y	2	Nil	1	Nil
Mr. Manoj Kumar More	00040190	Independent Non Executive	5/6	Y	3	4	4	Nil
Mr. Rajiv Sushil Verma	07486560	Independent Non Executive	1/6	Y	1	Nil	Nil	Nil
Mr. Harmohindar Singh Dhingra	00037089	Independent Non Executive	6/6	Y	1	Nil*	2	1250
Mrs Diksha Yuvraj Malhotra	01393249	Executive Director	6/6	Y	1	Nil	Nil	346975

Notes:

1. *Excludes directorships in, Private Limited Companies, ForeignCompanies and Section 8 Companies.*

2. *In accordance with Regulation 26(1)(b) of SEBI (Listing Regulation), Membership/ Chairpersonship of only the Audit Committee and Stakeholders Relationship Committee in all Indian Public Limited Companies have been considered.*
3. *Mr. Yuvraj Malhotra, Mr. Navraj Malhotra and Mrs. Diksha Yuvraj Malhotra, are related to each other.*
4. *The Company has not issued any convertible instruments*

** He was chairman of audit committee till 8th December 2017*

2.3. Meeting of Independent Directors and Evaluation of the Boards Performance

As stipulated by the Code of Independent Directors pursuant to Companies Act, 2013 and the SEBI (Listing Regulations), a separate meeting of the Independent Directors of the Company was held on 12th February,2018 to review the performance of Non-independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

2.4. **Director's Familiarization programme:**

The Company undertakes and makes necessary provisions for an appropriate induction programme for new Directors and ongoing training for existing Directors. The new directors are introduced to the Company's culture, through appropriate training programmes. Such kind of training programmes helps to develop relationship of the Directors with the Company and familiarise them with the Company processes. The management provides such information and training either at the meeting of Board of Directors or otherwise.

The induction process is designed to:-

- build an understanding of the Company processes and;
- fully equip the Directors to perform their role on the Board effectively

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments.

2.5. Agenda:

All the meetings are conducted as per well designed and structured agenda complying with the provisions of Secretarial Standard-1 (SS-1) on "Meetings of the Board of Directors", issued by the Institute of Company Secretaries of India (ICSI). All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated in the meeting) to enable the Board to take informed decisions. Agenda papers are circulated seven days prior to the Board Meeting. In case of any business exigencies, the resolutions are passed by circulation and later placed in the ensuing Board Meeting

3) **COMMITTEES OF THE BOARD:**

The Committees of the Board are constituted as per the Actand SEBI (Listing Regulation)

3.1 Audit Committee:

The Audit Committee of the Company is constituted in line with Provision of Regulation 18 of SEBI (Listing Regulations), read with Section 177 of the Act and rules framed thereunder. All the members possess sound knowledge on accounts, audit, finance, taxation, internal controls etc.

3.1.1 Terms of reference

Role of Audit Committee and its terms of reference include:

1. To focus its attention on subjects relating to accounting standards, internal controls and financial policies.
2. To oversee the Company's financial reporting process and disclosure of its financial information.
3. To review the financial statement before submission to the Board of Directors.
4. To hold discussion with Management regarding the internal control system.
5. To hold prior discussion with external auditors regarding scope and nature of audit before commencement of the audit and also to have post audit discussion on the areas of concern

3.1.2 Composition and Attendance at the Meeting

The Audit Committee met 4 times during the year on 26th May 2017, 11th August 2017, 08th December, 2017 and 12th February, 2018.

- **For meeting held on 26th May 2017, 11th August 2017, 08th December 2017,** the composition, names of the members,chairperson, category of Directors and no. of the meetings attended by the members during the above three (3) meeting are as follows: -

Sr. No.	Names of Members	Designation	Category of Director	No. of Meetings Attended
1	Mr. Harmohindar Singh Dhingra	Chairman	Independent Non-executive	3/3
2	Mr. Manoj Kumar More	Member	Independent Non-executive	3/3
3	Mr. Sanjay Jain	Member	Independent Non-executive	3/3

- **For meeting held on 12th February 2018** the composition, names of the members,chairperson, category of Directors and no. of the meeting attended by the members during the above one (1) meeting is as follows: -

Sr. No.	Names of Members	Designation	Category of Director	No. of Meeting Attended
1	Mr. Manoj Kumar More	Chairman	Independent Non-executive	1/1
2	Mr. Harmohindar Singh Dhingra	Member	Independent Non-executive	1/1
3	Mr. Sanjay Jain	Member	Independent Non-executive	1/1

3.2 Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Company is constituted in time with the provision of Regulation 19 of SEBI (Listing Regulations) read with Section 178 of the Act.

3.2.1Terms of reference

Role of Nomination and Remuneration Committee and its terms of reference include:

1. To recommend/ review the remuneration package of the Managing /whole time Directors / Key Managerial Personnel ("KMP" as defined by the Act), based on performance and defined criteria.
2. To determine the remuneration package for any Executive Directors as well as remuneration payable to the non-executive Directors from the year to year.
3. To identify person who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

3.2.3 Composition and Attendance at the Meeting

- **For meeting held on 12th February 2018** the composition, names of the members,chairperson, category of Directors and no. of the meeting attended by the members during the above one (1) meeting is as follows: -

Sr. No.	Names of Members	Designation	Category of Director	No. of Meeting Attended
1	Mr. Harmohinder Singh Dhingra	Chairman	Independent Non-executive	1/1
2	Mr. Manoj Kumar More	Member	Independent Non-executive	1/1
3	Mr. Sanjay Jain	Member	Independent Non-executive	1/1

- **For meeting held on 26th March 2018** the composition, names of the members,chairperson, category of Directors and no. of the meeting attended by the members during the above one (1) meeting is as follows: -

Sr. No.	Names of Members	Designation	Category of Director	No. of Meeting Attended
1	Mr. Harmohindar Singh Dhingra	Chairman	Independent Non-executive	1/1
2	Mr. Rajiv Verma	Member	Independent Non-executive	0/1
3	Mr. Sanjay Jain	Member	Independent Non-executive	1/1

3.2.4 Remuneration Policy

1) Remuneration to Senior Management Personnel (s) (SMPs)

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The remuneration determined for MD/WTDs, KMPs and SMPs are subjected to the approval of the Board of Directors in due compliance of the provisions of Companies Act, 2013. The remuneration for the KMP and the SMP at the time of the appointment has to be approved by the Board but any subsequent increments shall be approved by the Managing Director of the Company as per the HR policy of the Company and ratified by the Board. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

2) Remuneration to Non-Executive Directors

The Non-executive Directors of the company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The sitting fees paid to the Non-executive Directors for attending meetings of Board of Directors and Audit Committee of Board of Directors will be as per industrial norms and mutually agreed from time to time. Beside the sitting fees they are also entitled to reimbursement of expenses. The Non-executive Directors of the Company are not paid any other remuneration or commission. The sitting fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees of Board of Directors may be modified or implemented from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013.

The Remuneration Policy recommended by Nomination and Remuneration Committee has been accepted by the Board of Directors and the same has been annexed to the report of the Directors and is also available on the Company's website www.hiltonmetal.com.

3.2.5 Familiarization Program

The details of program for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company and related matters are placed on the website of the Company www.hiltonmetal.com

3.2.6 Details of Remuneration paid to the Directors

Details of Remuneration paid to the Directors for the year ended 31st March, 2018 are as follows:

Directors	Relationship with the other Directors	Business Relationship	Sitting Fees	Salary/ Perquisites	Contribution to P.F.	Total
Mr. Yuvraj Malhotra	Brother of Mr.Navraj Malhotra	Promoter	NIL	6000000	NIL	6000000
Mr. Navraj Malhotra	Brother of Mr.Yuvraj Malhotra	Promoter	NIL	2400000	NIL	2400000
Mr. Joseph McKay	None	None	NIL	NIL	N A	NIL
Mr. Rajiv Sushil Verma	None	None	NIL	NIL	N A	NIL
Mr. Manoj Kumar More	None	None	55000	NIL	N A	55000
Mr. Harmohinder Singh Dhingra	None	None	49500	NIL	N A	49500
Mr. Sanjay Jain	None	None	NIL	NIL	N A	NIL
Mrs.Diksha Malhotra	Spouse of Mr.Yuvraj Malhotra	Promoter	NIL	3000000	NIL	3000000

3.3 Stakeholders' Relationship Committee:

The Stakeholders' relationship committee is constituted inline with the provision of Regulations 20 of SEBI (Listing Regulations) read with Section 178 of the Act.

3.3.1Terms of reference

Role of Stakeholders' relationship committee and its terms of reference include:

1. To redress Shareholders and Investors complaints
2. To review all matters connected with the share transfers, non-receipt of annual report and non-receipt of declared dividend.
3. To review status of legal cases involving the investors where the Company has been made a party.

   The Company's Registrar & Share Transfer Agents, M/s Sharex Dynamic (India) Private Limited are fully equipped to carry out the transfers of shares and redress Investor complaints received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

3.3.2 Composition of the Committee

The composition, names of the members, chairperson, category of Directors during the year are as follows:

Sr. No.	Names of Members	Designation	Category
1.	Mr. Manoj Kumar More	Chairman	Non-Executive, Independent
2.	Mr. Yuvraj Malhotra	Member	Executive, Non-Independent
3.	Mr. Harmohindar Singh Dhingra	Member	Non-Executive, Independent

3.3.3 Details in respect of Compliance Officer:

Sr. No.	Name	Designation of Compliance officer
1	Mr. Sajan Mahesh Motwani**	Company Secretary
2	Ms. Pragati Pramod Nathani*	Company Secretary

*Ms. Pragati Pramod Nathani was appointed as Company Secretary and Compliance Officer w.e.f. 11th January, 2017 and resigned on 11th December 2017

** Mr. Sajan Mahesh Motwani is appointed as Company Secretary and Compliance Officer w.e.f. 29th March 2018

3.3.4 Details of Investors Complaints received during F.Y. 2017-18 are as follows:

Sr. No.	Nature of Complaints	Whether Received		No. of Complaints Redressed	Pending Complaints
1.	Non-Receipt of Refund	0	0	0	NIL
2.	Non- Receipt of Dividend	0	0	0	NIL
3.	Non- Receipt of Annual Report	0	0	0	NIL

4) GENERAL BODY MEETINGS:

4.1 Annual General Meeting

The details of Special Resolutions passed at the Annual General Meetings held in last 3 years along with the location and time of the AGMs are as follows:

AGM	DATE	TIME	VENUE	DETAILS OF SPECIAL RESOLUTIONS PASSED
12th	28.09.2017	4.00 PM	701, Palm Spring, Link Road Malad West, Mumbai-400064	1. Fixation of remuneration of cost auditor for Financial Year 2018. 2. To appoint R. Jaitlia & Co, Statutory Auditor in place of retiring auditors R K Chaudhary & Associates, Chartered Accountants till 16th Annual General Meeting. 3. To adopt new set of articles of association
11th	28.09.2016	4.00 PM	701, Palm Spring, Link Road Malad West, Mumbai-400064	1. Fixation of remuneration of cost auditor for Financial Year 2017. 2. To appoint Mr. Rajiv Sushil Malhotra as Independent Director of the Company for the term of five years
10th	30.09.2015	4.00 PM	701, Palm Spring, Link Road Malad West, Mumbai-400064	1. Fixation of remuneration of cost auditor for Financial Year 2016. 2. To appoint Mrs. Diksha Malhotra as Executive Director of the Company for the period of three years 3. To re-appoint Mr. Yuvraj Malhotra as a Managing Director of the Company for the period of five years 4. To re-appoint Mr. Navraj Malhotra as a Whole Time Director of the Company for the period of five years

4.2 Extraordinary General Meeting

No Extraordinary General Meeting was held during the financial years 2014-2015, 2015-2016, 2016-17.

4.3 Postal Ballot

During the year, no resolutions have been passed through postal ballot.

5) MEANS OF COMMUNICATION:

The Annual, half yearly and Quarterly results were submitted to the Stock Exchange and published in Newspapers in accordance with the SEBI (Listing Regulations).

Company's un-audited quarterly results for Quarter ended June 2017, September 2017, December 2017 and March 2018 and audited results for the year ended 31st March, 2018 were published in the Free Press Journal, Mumbai (English Daily) and Navshakti (Vernacular Daily).

These results are simultaneously displayed on the website of the Company and uploaded on the website of National Stock Exchange of India Ltd. and the BSE Ltd

6) GENERAL SHAREHOLDER INFORMATION

6.1 Company Registration Details: CIN: L28900MH2005PLC154986

6.2 Annual General Meeting

Date: 28th September, 2018

Time: 03.30 P.M

Venue: Whispering Palms Club House, Whispering Palms, Lokhandwala Town Ship, Kandivali east, Mumbai 400 101

6.3 Financial Calendar

The Company follows the period of 1st April to 31st March, as the Financial Year

6.4 Tentative Schedule for declaration of results during the financial year 2018-2019

First quarter:	June 30, 2018- on or before August 14, 2018
Second quarter/Half Yearly	September 30, 2018 - on or before November 14, 2018
Third quarter/Nine months	December 31, 2018 - on or before February 14, 2019
Fourth quarter/Annual	on or before May 30, 2019
Annual General Meeting	on or before September, 2019

6.5 Book Closure date

The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday 21st September, 2018 to Friday 28th September, 2018 [Both days inclusive]

6.6 Dividend Payment

No dividend is to be declared for the financial year ended 31st March 2018

6.7 Unclaimed Dividend

During the financial year under review, the Company has credited **Rs.43837/-** to Investor Education and Protection Fund towards Unclaimed Dividend.

Pursuant to the provisions of Section 124 of the Act, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF). Shareholders of the Company who have not received or encashed their dividend for the Financial years, as mentioned below, are requested to claim the unpaid / unclaimed dividend from the Company before its transfer to the abovementioned Fund.

Sr. No	Year of Declaration of Dividend	Date of Declaration of Dividend	Unclaimed Amount (In Rs.)	Due Date for transfer to IEPF Account
1	2010-11	28.09.2011	32,118	26-09-2018
2	2011-12	29.09.2012	41,731	28-09-2019
3	2012-13	30.09.2013	59,404	28-09-2020
4	2013-14	27.09.2014	46,383	25-09-2021
5	2014-15	30.09.2015	68,632	28-09-2022
6	2015-16	-	No dividend declared	-
7	2016-17	-	No dividend declared	-

6.8 Listing on Stock Exchanges

A. Equity Shares

Name of the Stock Exchange	Security code/ Symbol	ISIN	Payment of Annual Listing fees for the FY 17-18 (Y/N)
BSE Limited	532847	INE788H01017	Y
The National Stock Exchange of India Limited	HILTON		Y

B. Debentures/GDRs

The Company has not issued GDRs / ADRs / Warrants or any convertible instruments so far

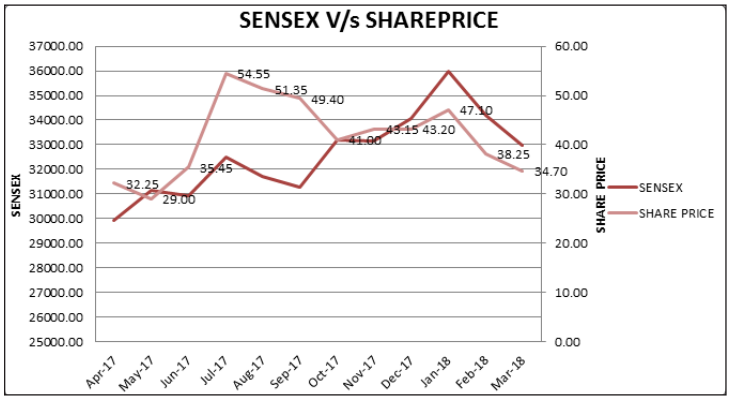
6.9 Market Price Data:

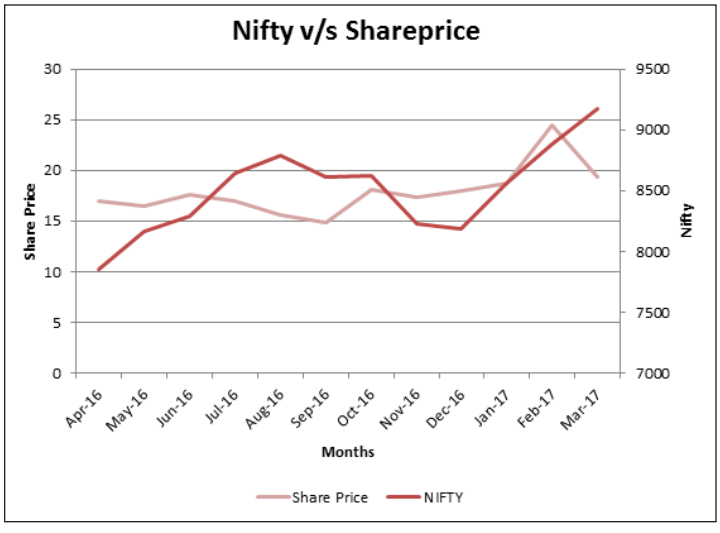
High/Low during each month of 2017-18 on Stock Exchanges

Market Price Data Month	Share prices of the Company for the Period April 2017 to March, 2018			
	BSE Ltd		The National Stock Exchange of India	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
Apr-17	32.25	19.05	32.00	19.20
May-17	29.00	20.60	28.95	19.35
Jun-17	35.45	25.00	35.90	24.70
Jul-17	54.55	32.15	54.45	33.20
Aug-17	51.35	31.95	51.65	31.70
Sep-17	49.40	31.90	49.50	31.70
Oct-17	41.00	34.70	41.05	34.65
Nov-17	43.15	34.70	43.25	34.90
Dec-17	43.20	34.00	43.40	35.40
Jan-18	47.10	36.80	47.15	36.80
Feb-18	38.25	29.50	40.00	27.40
Mar-18	34.70	25.15	35.60	25.25

6.10 Performance in comparison to broad based indices:

The Chart below shows the comparison of your company's share price movement on BSE Sensex & NSE Nifty for the financial year ended 31st March 2018 (based on month end closing)





6.11 Registrar & Share Transfer Agents:

SHAREX DYNAMIC (INDIA) PVT.LTD.

Unit No.1, Luthra Industrial Premises,

Andheri - Kurla Road, Safed Pool, Andheri (E),

Mumbai-400072

Tel: (022) 28515606 / 44 Fax: (022) 28512885

Business Hours: Monday to Friday: 10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.

Contact Person: Mr. T. Sasikumar

6.12 Share Transfer System

Shares sent for transfer in physical form are registered and returned by our Registrars and Share Transfer Agents in 15 days of receipt of the documents, provided the documents are found to be in order. Shares under objection are returned within two weeks. The Registrar and Transfer Agent considers the transfer proposals generally on a fortnight basis.

6.13 Categories of Shareholding as on 31st March, 2018:

Categories	Number of Shares	%
(A) Shareholding of Promoter and Promoter Group		
Promoters	6164962	49.546
Total Shareholding of Promoter & Promoter Group (A)	6164962	49.546
(B) Public Shareholding		
(i) Institutions		
Banks / FI	32971	0.265
Central Govt.	10212	0.082
Total Public Institutions (B) (i)	43183	0.347
(ii) Non Institutions		
Individuals	5378203	43.223
NRI	83420	0.67
Bodies Corporate	493431	3.966
Overseas Corporate Bodies	150000	1.205
Clearing Members	129817	1.043
Total Public Non Institution (B) (ii)	6234871	50.107
Total Public Shareholding (B)=(B)(i)+(B)(ii)	6278054	50.454
Total Shareholding (A) + (B)	12443016	100

6.14 Top Ten equity shareholders of the Company as on March 31, 2018 (other than Promoters)

Sr. No.	Name of Shareholders	No of equity Shares held	Percentage of holding
1	Subramanian P	362590	2.914
2	Deepak Gupta	210964	1.695
3	Evenort Ltd	150000	1.205
4	Datta Satish Doshi	100000	0.804
5	Karvy Stock Broking Ltd	94518	0.76
6	Chirag Shantilal Shah	67500	0.542
7	Haresh Kashinath Bhobe	64628	0.519
8	Sanjay kumarVishwambharlal Dhandhar	50000	0.402
9	P Dharmichand Jain (Huf) .	49900	0.401
10	Pranav Satish Doshi	48000	0.386

6.15 Distribution of Shareholding as on 31stMarch, 2018:

No. of equity Shares held	Shareholders		Total Shares	
	Number	% of Total	Shares	% of Total
1-100	3471	39.82	206252	1.66
101-200	1476	16.93	259472	2.09
201-500	1919	22.02	705093	5.67
501-1000	936	10.74	773783	6.22
1001-5000	782	8.97	1699064	13.65
5001-10000	71	0.81	521589	4.19
10001-100000	55	0 .63	1395247	11.21
100001 and above	6	0 .07	6882516	55.31
Total	**8716**	**100**	**12443016**	**100**

6.16 Dematerialization of Shares and Liquidity

The Company's shares are currently traded only in dematerialized form over NSE & BSE. To facilitate trading in dematerialized form, the Company has tied up with NSDL and CDSL. Shareholders can open account with any of the depository participants registered with any of these depositories. As on March 31, 2018, 98.79% (1,22,93,011 Equity Shares) of the Company's equity shares were held in dematerialized form. The equity shares held by the promoter & promoter group in the Company have been fully dematerialized.

6.17 Reconciliation of Share Capital Audit:

As stipulated by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges, NSDL and CDSL. No discrepancies were noticed during these audits.

6.18 Outstanding GDR/ ADR / Warrants or any convertible instruments, conversion date and impact on equity

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2018, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

6.19Plant Location

Plot Nos. 1,2,3,15,21,25,26,28,& 30,

Shah & Mehta Ind. Estate,

Village-Ghonsai, Tal. Wada, Dist. Thane

6.20 Address for Correspondence

(i) The Compliance Officer: Hilton Metal Forging Ltd, 204, Tanishka Commercial Building, Akurli Road, Near - Growel 101 Mall, Kandivali - East Mumbai 400101 Email id: mayani@hiltonmetal.com

(ii) Registrar and Transfer Agent: M/s Sharex Dynamic (India) Private Limited

Unit -1, Luthra Ind. Premises, 1st Flr, 44-E, M VasantiMarg, Andheri Kurla Road, Safed Pool,Andheri (East), Mumbai - 400072 E-Mail: investor@sharexindia.com

7) DISCLOSURES:

7.1 Related Party Transactions:

All transactions entered into with Related Parties as defined under the Act, and Regulation 23 of the SEBI (Listing Regulations) during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company.

The details of the transactions with related parties, if any, are placed before the Audit Committee from time to time.

The Board of Directors has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The same is also displayed on the Company's website www.hiltonmetal.com

7.2. Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India or by any statutory authority on any matters related to capital markets during the last three years.

7.3 Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) and sub section (10) of the Companies Act, 2013, and in terms of Regulation 22 of SEBI (Listing Regulation) read with Regulation 4(2)(d)(iv) of Securities and Exchange Board of India, the Company has in place a vigil mechanism for Directors and Employees and has adopted a Whistle Blower policy, to report genuine concerns about any wrongful conduct with respect to the Company or its business or affairs. This policy covers malpractices, misuse or abuse of authority, fraud, violation of company's policies or rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected or likely to be affected and formally reported by whistle blowers.

The Policy provides that all Protected Disclosures can be addressed to the Chairman of the Audit Committee in all the cases and to Whole-time Director / Chairman in exceptional cases. All protected disclosures under this policy will be recorded and thoroughly investigated. If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. The details of the vigil mechanism are also available on the Company's website www.hiltonmetal.com

7.4. Status of compliance with mandatory requirements and Non-Mandatory Requirements

The Company has complied with all mandatory requirements of Corporate Governance norms as specified in Regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (Listing Regulation), 2015, to the extent applicable to the company.

7.5 Web link of policy on dealing with related party transactions

The Board has approved a policy for related party transactions which has been uploaded on Companies website i.e on www.hiltonmetal.com

7.6 Code for prevention of Insider-Trading Practices

As per the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for prevention of Insider Trading.

The Company has instituted a comprehensive code of conduct for its directors, management and officers and the other connected persons with the Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, guidelines and procedures to be made while dealing with shares of the Company including the consequences of violations if any. The code clearly specifies, among other matters, that the Directors and specified employees of the Company can trade in the shares of the Company only during 'Trading Window Open Period'. The trading window is closed during the time of declaration of results, dividend and material events, etc. as per the Policy. Disclosure of shareholding is taken from all the directors and Designated Employees and other connected persons of the Company.

7.6 Compliance with Discretionary Requirements as per Reg 27(1) of SEBI (Listing Regulation)

i) Auditors Qualification:

Unmodified Audit Opinions/Reporting.

ii) Reporting of Internal Auditor:

The internal auditor reports directly to the audit committee.

8) DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors.

I confirm that the Company has in respect of the year ended March 31, 2018, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

9) REVIEW OF DIRECTORS RESPONSIBILITY STATEMENT

The Board in its Report has confirmed that annual accounts for the year ended 31st March 2018 have been prepared as per Indian Accounting Standard (Ind AS) and policies and that sufficient care has been taken for maintaining adequate accounting records.

10) CEO / CFO Certificate:

As required under Regulation 17 (8) of SEBI(LODR) Regulations, 2015, the CEO/ CFO Certificate for the FY 2017-18 signed by Mr. Saurabh Johri, CEO and Ms. Yashika Malhotra, Chief Financial Officer form part of the Annual Report.

For and on behalf of the Board of Directors

Sd/-

Yuvraj Malhotra
Chairman & Managing Director
DIN:00225156

Place: Mumbai
Dated: 24/08/2018

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Hilton Metal Forging Limited

We have examined all the relevant records of Hilton Metal Forging Limited, for the purpose of certifying compliance of the conditions of the Corporate Governance under para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on March 31, 2018. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with all the mandatory requirements of Corporate Governance as stipulated in the para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

For M/s R. Jaitlia & Co.,
Chartered Accountants
Firm Registration Number: 117246W

Mukesh Maheshwari
Partner
M No : 049818

Date: 24/08/2018
Place: Mumbai

Compliance Certificate

(Pursuant to Regulation 17 (8) of SEBI(LODR) Regulations, 2015)

We, Mr. Saurabh Johri, Chief Executive Officer and Ms. Yashika Malhotra, chief Financial Officer of Hilton Metal Forging Limited, hereby certify that:

a. We have reviewed the Audited financial statements and the cash flow statement for the Financial Year ended on 31st March, 2018 and that to the best of my knowledge and belief;
   i. these statements do not contain any materially untrue statement or omit any material fact nor contain statements that might be misleading, and
   ii. these statements together present a true and fair view of the company's affairs and are in compliance with the applicable laws and regulations.

b. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct;

c. We accept responsibility for establishing and maintaining internal controls for financial reporting;

d. We have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies; and

e. We have indicated to the auditors and the Audit committee, significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

Date : 30th May 2018	Mr. Saurabh Johri	Ms. Yashika Malhotra
Place : Mumbai	Chief Executive Officer	Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To,

The Members of

Hilton Metal Forging Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Hilton Metal Forging Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, 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 Indian Accounting Standards (Ind AS) prescribed 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements subject to the above note.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 prepared in accordance with Ind AS included in these Ind AS financial statements have been audited by predecessor auditor. The report of the predecessor auditor, whose report for the year ended 31 March, 2017 and 31 March, 2016 dated 26 May, 2017 and 27 May, 2016 respectively expressed an unmodified opinion on those financial statements.

Our opinion on the financial statements and our report on Other Legal and regulatory Requirements below is not modified in respect of these matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
   e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 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".
   g) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company does not have any pending litigations which would impact its financial position.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There have been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **M/s. R. Jaitlia & Co.**
Chartered Accountants
(Firm's Registration No. 117246W)

Mukesh Maheshwari
Partner
Membership No. 049818

Place: Mumbai
Date: 30th May, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" Section of our report of even date]

i. In respect of its fixed assets:

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

b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deeds provided to us, we report that the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

ii. The inventory, except goods-in-transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. According to the information and explanation provided to us, the discrepancies noticed on verification between the physical stocks and the book records were not material.

iii. In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, clause 3(iii) of the order is not applicable to the Company.

iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any transactions in respect of loans, investments, guarantees, and security which are covered under section 185 of the Companies Act, 2013.

The Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. According to the information and explanation given to us, the Company has not accepted any deposits covered under section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under sub section 1 of Section 148 of the Act 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 records.

vii. According to the information and explanations given to us and the records of the Company examined by us in respect of statutory dues:

a) The Company is generally making delayed payment of undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable, except in case reported below:

(Rs. In Lacs)

Name of the Statute	Name of the dues	Period to which Amount Relates	Amount (Rs. In lacs)	Due date	Date of Payment
Finance Act 1994	Service Tax	2015-16	1.94	FY 2015-16	Unpaid
		2016-17	2.38	FY 2016-17	Unpaid
		2017-18	0.38	FY 2017-18	Unpaid

viii. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowing to its bankers. The Company does not have any loans or borrowings from any financial institution or Government, nor has it issued any debentures, as at the balance sheet date.

ix. The company has not raised any money by way of initial public offer and further public offer (including debt instruments) during the year. The term loan has applied for the business purpose.

x. In our opinion and according to the information and explanations given to us, no material fraud by the company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

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

xii. The Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

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 where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(xiv) of the Order is not applicable.

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

xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **M/s. R. Jaitlia & Co.**
Chartered Accountants
(Firm's Registration No. 117246W)

Mukesh Maheshwari
Partner
Membership No. 049818

Place: Mumbai
Date: 30th May, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on 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 over financial reporting of **Hilton Metal Forging Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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. However, there is sufficient scope for improvement in areas of purchase, sales, inventory, production records, statutory dues etc. As informed to us, the management is working towards improving internal financial controls.

For **M/s. R. Jaitlia & Co.**
Chartered Accountants
(Firm's Registration No. 117246W)

Mukesh Maheshwari
Partner
Membership No. 049818

Place: Mumbai
Date: 30th May, 2018

HILTON METAL FORGING LIMITED
BALANCE SHEET AS AT 31ST MARCH 2018
CIN NO L28900MH2005PLC154986

Particulars	Note No.	As at March 31, 2018 Rupees in Lacs	As at March 31, 2017 Rupees in Lacs	As at April 01, 2016 Rupees in Lacs
ASSETS				
Non current assets				
Property, Plant and Equipment	3	3,705.94	3,600.74	3,117.46
Capital work-in-progress	3	-	23.13	667.39
Financial Assets				
(i) Investment	4.1	0.51	0.51	0.51
(ii) Loans	4.2	260.19	253.49	253.49
(iii) Others	4.3	-	-	47.84
Total non-current assets		**3,966.64**	**3,877.87**	**4,086.68**
Current assets				
Inventories	5	6,708.05	4,273.64	3,655.20
Financial Assets				
(i) Trade receivables	6.1	3,007.71	2,164.66	2,071.56
(ii) Cash and cash equivalents	6.2	22.92	4.53	18.90
(iii) Bank balances other than (ii) above	6.3	113.10	142.75	128.18
(iv) Loans	4.2	3.34	2.28	3.61
Other current assets	7	680.87	1,062.82	1,085.72
Total current assets		**10,535.99**	**7,650.69**	**6,963.17**
Total Assets		**14,502.63**	**11,528.56**	**11,049.85**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share capital	8	1244.30	1244.30	1244.30
Other Equity	9	4699.50	4673.57	4713.80
Total equity		**5,943.80**	**5,917.87**	**5,958.10**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	10.1	734.81	74.55	85.68
(ii) Other financial liabilities	10.2	32.45	-	-
Provisions	11	64.03	55.33	48.55
Deferred tax liabilities (Net)	12	671.18	624.36	601.08
Current liabilities				
Financial Liabilities				
(i) Borrowings	10.1	2,739.19	2,562.08	2,353.32
(ii) Trade payables	10.3	3,836.05	2,021.81	1,861.20
(iii) Other financial liabilities	10.2	85.72	57.92	57.35
Provisions	11	31.63	11.42	4.79
Other current liabilities	13	363.78	203.23	79.78
Total current liabilities		**8,558.83**	**5,610.70**	**5,091.75**
Total Equity and Liabilities		**14,502.63**	**11,528.56**	**11,049.85**

See accompanying notes 1 to 27 forming part of the financial statements

As per our report of even date attached
For R. Jaitlia & Co.
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No. 049818

30th May, 2018, Mumbai

For and on behalf of the Board of Directors

Yuvraj Malhotra
Chairman and Managing Director
(DIN-00225156)

Navraj Malhotra
Whole Time Director
(DIN-00225183)

Yashika Yuvraj Malhotra
Chief Financial Officer

Sajan Motwani
Company Secretary

HILTON METAL FORGING LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2018

CIN NO L28900MH2005PLC154986

Particulars	Note No.	For the year ended March 31, 2018 Rupees in Lacs	For the year ended March 31, 2017 Rupees in Lacs
Income			
Revenue from Operations	14	9,618.26	8,525.46
Other Income	15	12.49	13.78
Total Income		**9,630.75**	**8,539.24**
Expenses			
Cost of Raw material and Component Consumed	16.1	6,048.30	4,786.55
Purchase of Stock in Trade / products	16.2	1,072.24	577.09
Change in Inventory of Finished Goods, work-in-progress and traded goods	16.3	(393.14)	(85.64)
Excise Duty		137.78	498.60
Employee Benefit Expenses	17	740.79	768.39
Finance Costs	18	308.72	303.10
Depreciation and Amortisation expenses	19	276.10	288.00
Other Expenses	20	1,351.49	1,425.10
Total Expenses		**9,542.28**	**8,561.20**
Profit before tax		**88.47**	**(21.96)**
Tax Expenses			
Current Tax		18.67	-
Deffered Tax		42.59	21.04
Total Tax Expenses		**61.26**	**21.04**
Profit After tax		**27.21**	**(43.00)**
Other Comprehensive Income :			
Items that will not be classified to Profit & Loss Account		19.12	6.69
Income tax related items that will not be reclassified to Profit and Loss account		(3.23)	2.25
Items that will be classified to Profit & Loss Account		-	-
Income tax related items that will be reclassified to Profit and Loss account		-	-
Total other comprehensive income/(expense)for the year		**15.89**	**8.94**
Total comprehensive income for the year		**43.10**	**(34.06)**
Earnings per equity share - Basic & Diluted (Rs.)	21	**0.22**	**(0.35)**

See accompanying notes 1 to 27 forming part of the financial statements

As per our report of even date attached
For R. Jaitlia & Co.
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No. 049818

30th May, 2018, Mumbai

For and on behalf of the Board of Directors

Yuvraj Malhotra
Chairman and Managing Director
(DIN-00225156)

Navraj Malhotra
Whole Time Director
(DIN-00225183)

Yashika Yuvraj Malhotra
Chief Financial Officer

Sajan Motwani
Company Secretary

HILTON METAL FORGING LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018

CIN NO L28900MH2005PLC154986

(Rs. In Lacs)

A) Equity Share Capital

Balance as at 1 April 2016	1244.30
Movement during the year	-
Balance as at 31 March 2017	1244.30
Movement during the year	-
Balance as at 31 March 2018	1244.30

B) Other Equity (Detailed)

Particulars	Reserves and Surplus				
	General Reserve	Securities Premium	Retained Earnings	Items of Other Comprehensive Income	Total
Balance as at 1 April, 2016	560.00	3361.81	824.31	-	4746.12
Profit / (loss) for the year	-	-	(31.75)	-	(31.75)
On account of IND AS Adjustment	(45.26)	-	(24.69)	-	(69.95)
DTA Adjustment	17.96	-	4.51	-	22.47
Other comprehensive income, Net of Tax	-	-	-	6.69	6.69
Balance as at 31 March 2017	**532.70**	**3361.81**	**772.38**	**6.69**	**4673.57**
Profit or (loss) for the year	-	-	27.21	-	27.21
On account of IND AS Adjustment	-17.17	-	-	-	(17.17)
Other comprehensive income, Net of Tax				15.89	15.89
Balance as at 31 March 2018	**515.53**	**3361.81**	**799.59**	**22.58**	**4699.49**

See accompanying notes 1 to 27 forming part of the financial statements

As per our report of even date attached
For R. Jaitlia & Co.
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No. 049818

30th May, 2018, Mumbai

For and on behalf of the Board of Directors

Yuvraj Malhotra
Chairman and Managing Director
(DIN-00225156)

Navraj Malhotra
Whole Time Director
(DIN-00225183)

Yashika Yuvraj Malhotra
Chief Financial Officer

Sajan Motwani
Company Secretary

HILTON METAL FORGING LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2018

CIN NO L28900MH2005PLC154986

	Particulars	Year ended 31 March, 2018 (Rs. In Lacs)	Year ended 31 March, 2017 (Rs. In Lacs)
A.	**Cash flow from operating activities**		
	Net Profit / (Loss) before tax	88.47	(21.96)
	Adjustments for:		
	Depreciation and amortization	276.10	288.00
	Finance costs	308.72	303.10
	Interest income	(12.42)	(12.99)
	Dividend income	(0.08)	(0.04)
	Employee benefit expenses	-	15.75
	Public issue and pre-operative expenses written off	-	47.84
	Operating profit / (loss) before working capital changes	**660.80**	**619.69**
	Adjustments for working capital changes:		
	Decrease/(increase) in inventories	(2,492.08)	(696.59)
	Decrease/(increase) in trade receivables	(843.05)	(93.10)
	Decrease/(increase in) in loans and other current assets	380.90	24.22
	Increase/(decrease) in short term borrowings	177.11	208.76
	Increase/(decrease) in trade payables	1,814.24	160.61
	Increase/(decrease) in loans, other financial assets & other assets	(6.70)	0.00
	Increase/(decrease) in other financial liabilities and other liabilities	193.47	108.92
	Increase/(decrease) in provisions	20.21	6.63
	Cash generated from operations	**(95.10)**	**339.15**
	Income tax paid	-	-
	Net cash flow from / (used in) operating activities	**(95.10)**	**339.15**
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment	(300.50)	(48.89)
	Interest received	12.42	12.99
	Dividend received	0.08	0.04
	Net cash flow from / (used in) investing activities	**(288.01)**	**(35.86)**
C.	**Cash flow from financing activities**		
	Loan Taken from Indusind Bank	684.00	0.00
	Loan Repay to Indusind Bank	(3.44)	0.00
	Finance cost	(308.72)	(303.10)
	Net cash flow from / (used in) financing activities	**371.84**	**(303.10)**
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**(11.26)**	**0.19**

HILTON METAL FORGING LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2018
CIN NO L28900MH2005PLC154986

Particulars	Year ended 31 March, 2018 (Rs. In Lacs)	Year ended 31 March, 2017 (Rs. In Lacs)
Cash and cash equivalents at the beginning of the year	147.28	147.09
Cash and cash equivalents at the end of the year	136.01	147.28
Components of Cash and cash equivalents with the Balance Sheet:		
(a) Cash on hand	5.94	6.87
(b) Balances with banks		
(i) In current accounts	16.98	(2.34)
(ii) In EEFC accounts	4.62	5.13
(iii) In deposit accounts with original maturity of less than 3 months		
(iv) In earmarked accounts		
(d) Others (specify nature)		
(i) Margin Money with Bank	106.00	134.70
(ii) Unpaid Dividend	2.48	2.92
	136.01	147.28

Notes:

i) The above cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7 on 'Statement of Cash Flows'.

ii) Margin money kept in fixed deposit and has been taken under cash and cash equivalent in the cash flow statement.

iii) As required under Paragraph (10C) of Ind AS 101, the Company has reclassified items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind AS.

See accompanying notes 1 to 27 forming part of the financial statements

As per our report of even date attached
For R. Jaitlia & Co.
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No. 049818

30th May, 2018, Mumbai

For and on behalf of the Board of Directors

Yuvraj Malhotra
Chairman and Managing Director
(DIN-00225156)

Navraj Malhotra
Whole Time Director
(DIN-00225183)

Yashika Yuvraj Malhotra
Chief Financial Officer

Sajan Motwani
Company Secretary

Notes to the Financial Statement for the year ended March 31, 2018

Note No. 1 – Corporate Information:

a) Hilton Metal Forging Limited established in 2005 is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at 701 Palm Spring, Link Road, Malad West, Mumbai 400064, Maharashtra and plant at Ghonsai Village, Wada Taluka, Palghar Dist.

b) The Company is primarily engaged in the business of manufacturing of iron and steel forging, recognized export house, presently catering to the needs of Oil and Gas, Refineries and pharmaceutical industries.

Note No. 2 - Statement of compliance:

a) The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

b) Upto the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. Refer Note 27 for the details of significant first-time adoption exemptions availed by the Company and an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, performance and cash flows.

Note No. 3 - Significant accounting policies:

a) Basis of preparation of financial statements

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2016. Accordingly, the Company has prepared first Ind AS Financial Statements which comprise the three Balance Sheet viz. the Opening Balance Sheet as at 1st April, 2016 and Balance Sheet as at 31st March, 2017 and 2018, two Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2017 and 2018, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements"). The figures for the previous year ended 31st March, 2017 and Opening Balance Sheet as on 1st April, 2016 have also been reinstated by the Management as per the requirements of Ind AS.

i. The financial statements of the Company are prepared in accordance with and to comply in all material aspect with the Indian Accounting Standards (Ind AS).

ii. The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest lacs, except otherwise indicated.

Previous year's figures have been regrouped / reclassified wherever necessary to conform with the current year's classification / disclosures.

b) Use of estimates and judgments

i. The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts ofassets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosureof an item or information in the financial statements is made relying on these estimates.

ii. The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

c) Property, plant and equipment

i. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to Statement of Profit and Loss in the period in which the costs are incurred.

ii. Assets in the course of construction are capitalised in the assets under capital work in progress account (CWIP). At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the

Notes to the Financial Statement for the year ended March 31, 2018

estimated cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized. Revenue generated from production during the trial period is capitalised.

iii. on transition to Ind AS, the company has elected to continue with the carrying value of its property, plant and equipment measured as per previous GAAP as at 1 April 2016 as its deemed cost on date of transition.

d) Depreciation

i. Depreciation on tangible assets is provided as per the provisions of Part B of Schedule II of the Companies Act, 2013. The Management believes that the estimated useful lives are restricts and reflects fare approximation of the period were which the assets are likely to be used.

ii. Depreciation on Property, plant and equipment is calculated on a straight –line basis, from the month of addition, using estimated useful lives, as specified in schedule II to the Companies Act 2013, except in respect of following assets:

Particulars	Useful life as per management (as technically assessed)	Useful life under schedule II of Companies Act, 2013
Buildings	Upto 60 years	60 years
Plant & Machinery	10 to 25 years	15 years
Vehicles	10 years	10 years
Furniture & Fixtures	10 to 13 years	10 years
Computer Software	3 to 6 years	3 to 6 years
Office Equipment	7 to 12 years	5 years

e) Borrowing costs

i. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

ii. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset .The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

f) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

g) Inventories

Cost of inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories of stores, spare parts, coal, fuel and loose tools are stated at the lower of weighted average cost and net realizable value. Net realisable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale. in continuation with the accounting policies followed last year, the company has considered Dies and Moulds as part of inventory as the consumable items and the same is amortised as done in earlier financial years.

h) Revenue recognition

i) Sale of goods

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31st March, 2018 and for the period 1st April to 30 June,2017 were reported gross of Excise Duty and net of Value Added Tax (VAT) / Sales Tax. Excise Duty was reported as separate expense line item. Consequent to the introduction of Goods and Service Tax (GST) with effect from 1 July, 2017, VAT/Sales tax , Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements' of Ind AS 18.

Notes to the Financial Statement for the year ended March 31, 2018

ii) Interest income

Interest income from a financial asset is recognised 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 that asset's net carrying amount on initial recognition

iii) Income from Services

Income from services rendered is recognised based on the terms of the agreements as and when services are rendered and are net of applicable taxes.

i) Foreign currency transactions and foreign operations

The functional currency of the Company is the Indian Rupees (INR). These financial statements are presented in Indian Rupees.

Foreign currency transactions are recorded in the functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. All foreign currency monetary assets and monetary liabilities as at the Balance Sheet date are translated into the functional currency at the applicable exchange rate prevailing on that date. All the exchange differences arising on translation, are recognised in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Gain or losses upon settlement of foreign currency transactions are recognized in the Statement of Profit and Loss for the period in which the transaction is settled.

j) Employee benefits

Short term employee benefits:

Short-term employee benefits are expensed as related service as provided. A liability is recognized for the amount expected to be paid 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 obligation can be estimated reliably.

Defined contribution plans

Contribution towards provident fund is made to the recognized funds, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on monthly basis.

Defined benefit plans:

Provision for incremental liability in respect of gratuity and leave encashment is made as per independent actuarial valuation on projected unit credit method made at the year-end.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expenses (income) on the defined liability (asset) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit or loss.

k) Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss, except to the extent it relates to items directly recognized in equity or in other comprehensive income.

i) Current tax

Current tax is the amount of tax payable based on the taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Notes to the Financial Statement for the year ended March 31, 2018

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 recovered.

Minimum Alternate Tax ('MAT')

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

Current and deferred tax for the year: Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

l) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders.

m) Provisions and contingencies

The Company recognizes provisions when there is a present obligation (legal or constructive) as a result of a past event, that probably requires an outflow of resources and reliable estimate can be made of the amount of the obligation.

A disclosure for contingent liabilities is made where there is possible obligation 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; or

A present obligation that arises from past events but is not recognized because:

1. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
2. The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible 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. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period. Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

n) Financial instruments

The company enters into foreign exchange forward contracts to manage its foreign exchange rate risk.

Derivatives are initially recognised at fair value at the end of each reporting period. The resulting gain or loss is recognized in statement of profit and loss immediately.

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

o) Financial assets

a) Recognition and Initial measurement

Financial assets are recognised when the company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value and transaction costs are expensed in the Statement of Profit and Loss.

Notes to the Financial Statement for the year ended March 31, 2018

b) Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

(i) The entity's business model for managing the financial assets and

(ii) The contractual cash flow characteristics of the financial asset.

c) Classification of financial assets

i) Debt Instruments

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition)

(a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

(b) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in Statement of Profit and Loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in Statement of Profit and Loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to Statement of Profit and Loss. All other financial assets are subsequently measured at fair value.

p) Financial liabilities and equity instruments

i) Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

iii) Financial liabilities

All Financial liabilities are measured at amortized cost using effective interest method or fair value through profit and loss. However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

1. Amortized Cost

Financial liabilities are classified as financial liabilities at amortised cost by default. Interest expenses calculated using effective interest rate method is recognised in the statement in profit and loss.

2. Financial liabilities at FVTPL

Financial liabilities are classified as FVTPL if it is held for trading, or is designated as such on initial recognition. Changes in fair value and interest expenses on these liabilities are recognised in the statement of profit and loss

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Notes to the Financial Statement for the year ended March 31, 2018

Note: 3

Property, Plant and Equipment as at March 31, 2018

Description	Property, Plant and Equipments											Total tangible assets	Capital work-in-progress
	Computers	Plant and Machinery	Land and Building	Building and Sheds	Vehicles	Office Premises	Office Equipments	Design & Drawings	Staff Quarters	Electrical Installation	Furniture & fittings (office)		
Gross Block													
As at April 1, 2016	33.78	3,442.10	137.59	714.72	22.43	88.98	34.89	0.68	106.46	88.06	79.24	**4,748.92**	-
Additions	6.63	680.04	-	-	-	-	-	-	-	-	6.48	**693.15**	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Reclassification	-	-	-	-	-	-	-	-	-	-	-	**-**	-
As at March 31, 2017	40.41	4,122.14	137.59	714.72	22.43	88.98	34.89	0.68	106.46	88.06	85.72	**5,442.07**	-
Additions	0.41	322.33					0.95	-	-	-	0.55	**324.23**	-
Disposals / Transfer	-	-	-	-	-	-	0.60	-	-	-	-	**0.60**	-
Reclassification	-	-	-	-	-	-	-	-	-	-	-	**-**	-
As at March 31, 2018	40.81	4,444.47	137.59	714.72	22.43	88.98	35.23	0.68	106.46	88.06	86.27	**5,765.70**	-
Depreciation and Amortisation												**-**	-
As at April 1, 2016	21.11	1,304.14	-	185.03	9.70	-	8.16	0.16	26.46	35.77	40.94	**1,631.46**	-
Charge for the year	5.97	163.59	-	23.87	2.13	-	1.51	0.03	3.56	4.18	5.02	**209.86**	-
Disposals												**-**	-
As at March 31, 2017	27.08	1,467.73	-	208.90	11.84	-	9.67	0.19	30.01	39.95	45.96	**1,841.32**	-
Charge for the year	5.11	176.71		11.68	2.25	1.70	5.20	0.28	1.95	8.19	5.35	**218.43**	-
Disposals												**-**	-
As at March 31, 2018	32.19	1,644.44	-	220.59	14.08	1.70	**14.87**	0.47	31.97	48.14	51.31	**2,059.75**	-
Net Block													
As at April 1, 2016	12.67	2,137.96	137.59	529.69	12.72	88.98	26.74	0.52	80.00	52.29	38.29	**3,117.46**	667.39
As at March 31, 2017	13.33	2,654.41	137.59	505.82	10.59	88.98	25.23	0.49	76.45	48.11	39.76	**3,600.74**	23.13
As at March 31, 2018	8.62	2,800.04	137.59	494.13	8.35	87.27	20.37	0.21	74.49	39.92	34.96	**3,705.94**	-

Notes:

(a) The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e April 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e January 1, 2016.

(b) The Company has availed the deemed cost exemption in relation to the property, plant and equipment and capital work-in-progress on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

(c) Office premises (gross valued at Rs. 88.98 Lac and Net valued at Rs. 87.27 Lac) is let out on lease in the following financial year i.e. FY 2018-19. So the relevant property shall be shown as “Investment Property” in FY 2018-19.

(d) Depreciation is provided on the Office premises (gross valued at Rs. 88.98 Lac and Net valued at Rs. 87.27 Lac) during the current year (FY 2017-18) for first time. Depreciation was not provided in the earlier financial years.

Notes to the Financial Statement for the year ended March 31, 2018

(Rs. In Lacs)

NOTE 4.1 : INVESTMENT

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
500 Equity Shares (P.Y. 500) of Rs. 100 each, fully paid up of Saraswat Co-Op Bank Ltd. - unquoted Shares.	0.51	0.51	0.51

NOTE 4.2 : LOANS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Security deposit	35.19	28.49	28.49
Other Loans and Advances	225.00	225.00	225.00
	260.19	253.49	253.49
Current			
Loan to employees	3.34	2.28	3.61
	3.34	2.28	3.61

NOTE 4.3 : OTHERS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Public Issue and Pre-Operative Expenses	-	-	47.84
	-	-	47.84

NOTE 5 : INVENTORIES

(lower of cost and net realisable value)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Material	3,138.15	1,080.99	725.11
Semi Finished Goods	394.81	1,339.77	1,345.58
Finished Goods	112.62	84.96	119.71
Product Purchase Stock	1,084.23	-	-
Cut Billets	889.20	644.61	517.03
Store, Spares & Consumables	39.12	62.45	62.44
Other Consumable Items	1,041.32	1,057.20	880.28
Scrap	8.60	3.65	5.06
	6,708.05	4,273.64	3,655.20

NOTE 6.1 : TRADE RECEIVABLES

Particulars		Current As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, considered good unless otherwise stated				
Considered good		3,007.71	2,164.66	2,071.56
Considered doubtful			-	-
Less: Provision for doubtful trade receivable		-	-	-
	(A+B)	3,007.71	2,164.66	2,071.56

Note: Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and its adjusted forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analyzed. Based on the past experience of receivables, the company has not provided for expected credit loss since the amount receivable is from regular customers and there has been no experience of losses on receivable in the past and management is confident of recovering the dues. Hence the management has not made any provision.

Notes to the Financial Statement for the year ended March 31, 2018

(Rs. In Lacs)

NOTE 6.2 : CASH AND CASH EQUIVALENTS

Particulars	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance with Banks			
- On current accounts with scheduled banks	16.98	(2.34)	17.63
- Cash on hand	5.94	6.87	1.27
	22.92	4.53	18.90

NOTE 6.3 : BANK BALANCES OTHER THAN NOTE: 6.2 ABOVE

Particulars	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Other bank balances			
- On unpaid dividend account	2.48	2.92	4.52
- On EEFC account	4.62	5.13	5.13
- On Deposit Accounts (Margin money) in earmarked accounts	106.00	134.70	118.53
	113.10	142.75	128.18

NOTE 7 : OTHER CURRENT ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance paid to creditors	71.50	620.13	444.57
Advance tax and TDS	5.05	9.84	8.18
Balance with Government authorities	258.82	93.35	148.35
Duty Drawback Receivable	6.52	3.90	5.82
Accrued Interest on FD (LC Margin)	3.44	-	-
GST Refund Receivable	128.69	-	-
MVAT Refund Receivable	106.98	122.87	252.42
Pre Paid Expenses	21.76	27.08	24.12
Refund Receivable (Income Tax - MAT)	78.10	78.10	94.70
Others	-	107.55	107.55
	680.87	1,062.82	1,085.72

NOTE 8 : EQUITY SHARE CAPITAL

Particulars	March 31,2018		March 31, 2017		April 1, 2016	
	No of shares	Amount (Rs. In Lacs)	No of shares	Amount (Rs. In Lacs)	No of shares	Amount (Rs. In Lacs)
Authorised						
Equity Shares of Rs. 10 each with voting rights	15,000,000	1500.00	15,000,000	1500.00	15,000,000	1500.00
Issued, Subscribed and fully paid up						
Equity Shares of Rs. 10 each with voting rights	12,443,016	1244.30	12,443,016	1244.30	12,443,016	1244.30
(a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year						
Shares outstanding as at the beginning of the year	12,443,016	1,244.30	12,443,016	1,244.30	12,443,016	1,244.30
Movement during the year	-	-	-	-	-	-
Shares outstanding as at the end of the year	12,443,016	1,244.30	12,443,016	1,244.30	12,443,016	1,244.30

(b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares with face value of Rs 10 each, ranking pari pasu

Notes to the Financial Statement for the year ended March 31, 2018

(Rs. In Lacs)

(c) Shareholders holding more than 5% of equity shares

Name of the Shareholder	Number of Shares	% holding in that class of shares	Number of Shares	% holding in that class of shares	Number of Shares	% holding in that class of shares
Yuvraj Hiralal Malhotra	5,662,334	45.51%	5,575,934	44.81%	5,575,934	44.81%
Diskha Malhotra	346,975	2.79%	672,812	5.41%	672,812	5.41%

NOTE 9 : OTHER EQUITY

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
General Reserve	515.53	532.70	560.00
Share Premium	3,361.81	3,361.81	3,361.81
Retained Earnings	799.59	772.38	824.31
Other Comprehensive Income	22.58	6.69	-
	4,699.50	4,673.58	4,746.12

Nature and description of reserve

(i) General Reserve - General reserve are free reserves of the company which are kept aside out of company's profits to meet the future requirements as and when they arise. The Company had transferred a portion of the profit after tax (PAT) to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

(ii) Retained Earnings - Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders).

NOTE 10 : FINANCIAL LIABILITIES

10.1 Non-current Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 201
Unsecured Loans			
Deferred Payment Liability			
* Sales Tax- MVAT Liability	54.25	74.55	85.68
Secured Loans			
** Indusind Bank Limited -LAP	680.56	-	-
Total	734.81	74.55	85.68

* Amount of Rs. 16.04 Lacs is provided towards Sales Tax - MVAT Liability in the Financial Year 2017-18. This amount is provided based on Assessment Order of Sales Tax dated 29-6-2013. This additional liability has to be paid by the Company in the future.

** The Company has taken a loan of Rs. 680.56 lacs secured against office property from IndusInd Bank having floating rate of Interest for a Period of 15 years.

10.1 Current Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loans repayable on demand			
Secured			
From Banks			
(i) Packing credit	1,807.82	1,669.25	1,604.89
(ii) Bills Negotiation	49.66	73.55	95.45
(iii) Cash Credit	692.23	698.38	625.07
(iv) Term Loan	-	-	22.11
Unsecured			
Loan from Directors	179.82	119.26	5.80
Loan from Others	9.65	1.64	-
Total current borrowings	2,739.19	2,562.08	2,353.32

Notes to the Financial Statement for the year ended March 31, 2018

(Rs. In Lacs)

10.2 Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non Current Liabilities			
Deposits	10.00	-	-
Sales Tax Deferred Income (Liability)	22.45	-	-
	32.45	-	-
Current Liabilities			
Sales Tax- MVAT Liability	25.61	8.48	-
Interest accrued but not due on borrowing	4.22	-	-
Unpaid dividend	2.48	2.92	4.52
Employee cost and Reimbursements	52.51	43.55	24.44
Expense Payables	0.89	2.98	28.40
	85.72	57.92	57.35

Note: No amount due and outstanding to be credited to Investor Eduacation and Protection Fund.

NOTE 11 : PROVISIONS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non Current			
Provision for employee benefits			
Provision for gratuity	57.24	48.53	-
Provision for leave entitlements	6.79	6.80	-
Total	64.03	55.33	-
Current			
Provision for employee benefits			
Provision for gratuity	10.59	9.07	-
Provision for leave entitlements	2.36	2.35	-
Provision for income tax	18.67	-	-
Total	31.63	11.42	-

NOTE 12 : DEFERRED TAX LIABILTIES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Income tax deffered	671.18	644.58	619.03
Total	671.18	644.58	619.03

10.3 Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade Payables	3,836.05	2,021.81	1,861.20
	3,836.05	2,021.81	1,861.20

NOTE 13 : OTHER CURRENT LIABILTIES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance received from customers	319.12	152.16	70.25
Statutory dues	15.66	22.33	9.53
Empolyee benefit payable	2.05	7.54	-
Other current liabilties	26.94	21.19	-
Total	363.78	203.23	79.78

Notes to the Financial Statement for the year ended March 31, 2018

(Rs. In Lacs)

NOTE 14 : REVENUE FROM OPERATIONS

Particulars	As at March 31, 2018	As at March 31, 2017
Revenue from operations		
Sales of Products	7,309.81	6,575.25
Sales through Trading Activity	811.70	663.52
Sales of Services	49.80	32.78
	8,171.31	7,271.54
Other Operating Revenues		
Sales of scrap	1,273.15	1,094.51
Export Incentives	173.81	159.40
	1,446.95	1,253.91
Total revenue from operations	9,618.26	8,525.46

NOTE 15 : OTHER INCOME

Particulars	As at March 31, 2018	As at March 31, 2017
Interest Income (from Banks on Deposits)	12.42	12.99
Others	-	0.76
Dividend Received	0.08	0.04
	12.49	13.78

NOTE 16.1 : COST OF MATERIALS CONSUMED

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Stock	1,080.99	725.11
Add: Cost of Purchase	8,107.61	5,154.17
	9,188.60	5,879.28
Less: Purchases return	(2.15)	(11.74)
	9,186.45	5,867.54
Less: Closing stock	(3,138.15)	(1,080.99)
Cost of materials consumed	6,048.30	4,786.55

NOTE 16.2 : PURCHASE OF TRADED GOODS

Purchase of traded goods	1,072.24	577.09
	1,072.24	577.09

NOTE 16.3 : (INCREASE)/DECREASE IN INVENTORIES

Work-in-progress and stock in trade		
Closing Stock		
Semi finished Goods	394.81	1,339.77
Finished Goods	112.62	84.96
Cut Billets	889.20	644.61
Product purchase	1,084.23	-
scrap	8.60	3.65
Stores & Fuel	39.12	62.45
	2,528.58	2,135.45
Less: Opening Stock		
Semi finished Goods	1,339.77	1,345.58
Cut Billets	644.61	517.03
Finished Goods	84.96	119.71
Scrap	3.65	5.06
Stores & Fuel	62.45	62.44
	2,135.45	2,049.80
Net (Increase)/Decrease	(393.14)	(85.64)

Notes to the Financial Statement for the year ended March 31, 2018

(Rs. In Lacs)

NOTE 17 : EMPLOYEE BENEFIT EXPENSES

Particulars	As at March 31, 2018	As at March 31, 2017
Salary, Wages & Bonus	569.02	591.00
Remuneration to Directors	114.00	114.00
Contribution to Provident Fund/ESIC	14.78	13.93
Gratuity	22.41	20.93
Welfare Expenses	20.58	28.54
	740.79	768.39

NOTE 18 : FINANCE COSTS

Particulars	As at March 31, 2018	As at March 31, 2017
Interest Expenses on		
Borrowings	247.95	259.83
Trade Payable	60.76	43.27
	308.72	303.10

NOTE 19 : DEPRECIATION AND AMORTISATION EXPENSES

Particulars	As at March 31, 2018	As at March 31, 2017
Depreciation on property, plant and equipment and amortisation expense	276.10	288.00
	276.10	288.00

NOTE 20 : OTHER EXPENSES

Particulars	As at March 31, 2018	As at March 31, 2017
Stores & Spares Consumed	150.54	153.16
Packing Material Consumed	46.48	56.13
Exchange Difference	(1.99)	(39.86)
Sub- contracting	20.15	66.25
Power & Fuel	503.28	516.60
Water Charges	7.60	8.50
Repairs & Maintenance _ Machines	95.06	64.71
Insurance Charges - plant	2.23	3.60
Rent, Rates & Taxes	18.66	15.54
Communication	6.95	11.05
Traveling & Conveyance	53.33	65.62
Printing and Stationery	0.97	2.09
Freight & Forwarding Charges	147.06	146.41
Advertisement & Sales Promotions	4.65	36.14
Legal & Professional Charges	46.86	64.63
Auditors Remuneration	4.50	4.21
Public issue and pre-operative expenses written off	-	47.84
General expenses	245.18	202.50
	1,351.49	1,425.10

Note: Additional notes to other expenses

Notes to the Financial Statement for the year ended March 31, 2018

(Rs. In Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Payment to the auditors comprises (net of service tax credit where applicable)		
As auditors - statutory audit	4.50	3.09
for Taxation matters	-	0.84
For company Law Matters	-	0.17
for Other services	0.06	0.11
Total	4.56	4.21

NOTE 21 : EARNINGS PER SHARE

Particulars	As at March 31, 2018	As at March 31, 2017
Profit for the year	27.21	(43.00)
	No. of shares	No. of shares
Number of equity shares for basic EPS	12,443,016	12,443,016
Number of equity shares for DilutedEPS	12,443,016	12,443,016
Basic and diluted EPS (Rs.)	0.22	(0.35)
Nominal value per share (Rs.)	10.00	10.00

NOTE 22 :

Related party disclosures as required under Ind AS 24, " Related Party Disclosure", are given below:

Key Management Personnel (KMP)

Yuvraj Malhotra	Chairman and Managing Director (CMD)
Navraj Malhotra (Brother of CMD)	Whole time Director
Diksha Malhotra (Wife of CMD)	Director
Pragati Nathani (upto 11.12.2017)	Company Secretary
Sajan Motwani (w.e.f. 29.03.2018)	Company Secretary
Yashika Yuvraj Malhotra (Daughter of CMD)	Chief Financial Officer

Details of transactions relating Key Management Personnel (KMP)

Particulars	As at March 31, 2018	As at March 31, 2017
Managerial remuneration		
Yuvraj Malhotra	60.00	60.00
Navraj Malhotra (Brother of CMD)	24.00	24.00
Diksha Malhotra (Wife of CMD)	30.00	30.00
Salary to KMP		
Pragati Nathani	1.45	0.46
Yashika Yuvraj Malhotra (Daughter of CMD)	10.73	-

Loans taken / repaid / given by the company

During FY 2016-17	Opening Balance	Loan received	Loan given/repaid	Closing Balance
Yuvraj Malhotra	5.67	130.41	24.48	111.60
Diksha Malhotra	0.13	9.02	1.50	7.65
Navraj Malhotra	-	-	0.13	0.13

During FY 2017-18	Opening Balance	Loan received	Loan repaid	Closing Balance
Yuvraj Malhotra	111.60	39.27	49.97	100.90
Diksha Malhotra	7.65	171.26	100.00	78.91
Navraj Malhotra	0.13	-	0.13	-
Yashika Yuvraj Malhotra (Loan)	-	14.95	5.30	9.65
Yashika Yuvraj Malhotra (Salary)	-	-	-	2.00

Notes to the Financial Statement for the year ended March 31, 2018

(Rs. In Lacs)

NOTE: 23 : SEGMENT REPORTING

Based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity falls within a single operating segment, namely Manufacturing of Steel Forgings and Flanges and Forged Fittings for oil & gas industry, Petrochemicals and refineries industry. Accordingly, the disclosure requirements of Ind AS 108 are not applicable.

NOTE 24 : EMPLOYEE BENEFITS

I. Brief description of the plans

The Company provides long-term benefits in the nature of provident fund and gratuity to its employees. The Company's defined contribution plans are provident fund and employee state insurance since the Company has no further obligation beyond making the contributions.The company's defined benefit plans include gratuity benefit to its employees, which is non-funded. The employees of the Company are also entitled to leave encashment and compensated absences as per the Company's policy, which is also non-funded.

II. Disclosures for defined benefit plan based on actuarial reports as on March 31, 2018 and March 31, 2017:

(i) Expenses recognised in the statement of profit and loss:

Particulars	Gratuity (Non-funded)	Leave Encashment (Non funded)	Gratuity (Non-funded)	Leave Encashment (Non funded)
	As on March 31, 2018		As on March 31, 2017	
Current service cost	4.12	1.43	4.13	1.36
Past service cost and loss/(gain)	9.58	-	-	-
Net interest cost	3.99	0.64	3.50	0.56
Net value of remeasurements on the obligation and plan asset	-	(2.07)	-	(0.06)
Total expenses recognized in the statement of profit or loss	17.69	0.00	7.63	1.86

(ii) Changes in defined benefit obligation:

Particulars	Gratuity (Non-funded)	Leave Encashment (Non funded)	Gratuity (Non-funded)	Leave Encashment (Non funded)
	As on March 31, 2018		As on March 31, 2017	
Liability at the beginning of the year	57.59	9.15	46.04	7.30
Interest cost	3.99	0.64	4.13	0.56
Current service cost	4.12	1.43	3.50	1.36
Past service cost	9.58	-	-	-
Benefit paid	-	-	-	-
Actuarial (gains)/losses on obligations	(7.45)	(2.07)	3.92	(0.06)
Liability at the end of the year	67.83	9.15	57.59	9.15

(iii) Sensitivity analysis for significant assumptionis as below:

Particulars	Gratuity (Non-funded)	Leave Encashment (Non funded)	Gratuity (Non-funded)	Leave Encashment (Non funded)
	As on March 31, 2018		As on March 31, 2017	
Discount rate	7.50%	7.50%	7.20%	7.20%
Rate of increase in compensation levels	5.00%	5.00%	5.00%	5.00%
Attrition rate	2.00%	2.00%	2.00%	2.00%
Average Age of retirement (years)	60	60	60	60

NOTE 25 :

1) Advance received from suppliers are netted off / adjusted against the outstanding creditors at the end of the year. The Balances of Debtors and Creditors are subject to confirmation.

2) Previous Year Figures have been regrouped / rearranged wherever necessary.

Notes to the Financial Statement for the year ended March 31, 2018

(Rs. In Lacs)

NOTE 26 :

Contingent liabilities

(i) Income tax demand that shown at income tax website Rs. 168.61 lacs (For AY 2007-08 & 2012-13) .

(ii) Income tax (Tax deducted at source) liability that shown at Rs. 27.17 lacs.

(ii) Bill discounted with banks as on 31st March, 2018 was Rs. 49.66 Lacs

(iv) Bank guarantee of Rs. 90.00 Lacs as on 31st March, 2018

26. a) First Time adoption of Ind AS

The Company has adopted Ind AS w.e.f 1 April 2017 with a transition date of 1 April 2016. Accordingly, financial statements for the year ended 31 March 2018 together with comparative information for the year ended 31 March 2017 and opening Ind As balance sheet as at 1 April 2016 have been prepared in accordance with accounting policies as set out in Note 2-" Significant accounting policies."

The Company has prepared its opening Ind AS balance sheet as at 1 April 2016 by recognising assets and liabilities whose recognition is required by Ind AS, and applying Ind AS measurement principals, subject to certain optional exemptions and mandatory exceptions.

Mandatory exceptions:

Classification and measurement of financial assets

The Company has determined the classification and measurement of financial assets on the basis of facts and circumstances existing at the date of transition.

Estimates

The Company's estimates under Ind AS as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with the previous GAAP. However, estimates that were not required under Previous GAAP but now required under Ind AS have been made basis facts and conditions as at the date of transition.

Optional exemptions:

Deemed cost for property, plant and equipment

The Company has opted to continue with the carrying value as per the Previous GAAP of all its Property, Plant and Equipment as its deemed cost on the date of transition.

See accompanying notes 1 to 27 forming part of the financial statements

As per our report of even date attached
For R. Jaitlia & Co.
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No. 049818

30th May, 2018, Mumbai

For and on behalf of the Board of Directors

Yuvraj Malhotra
Chairman and Managing Director
(DIN-00225156)

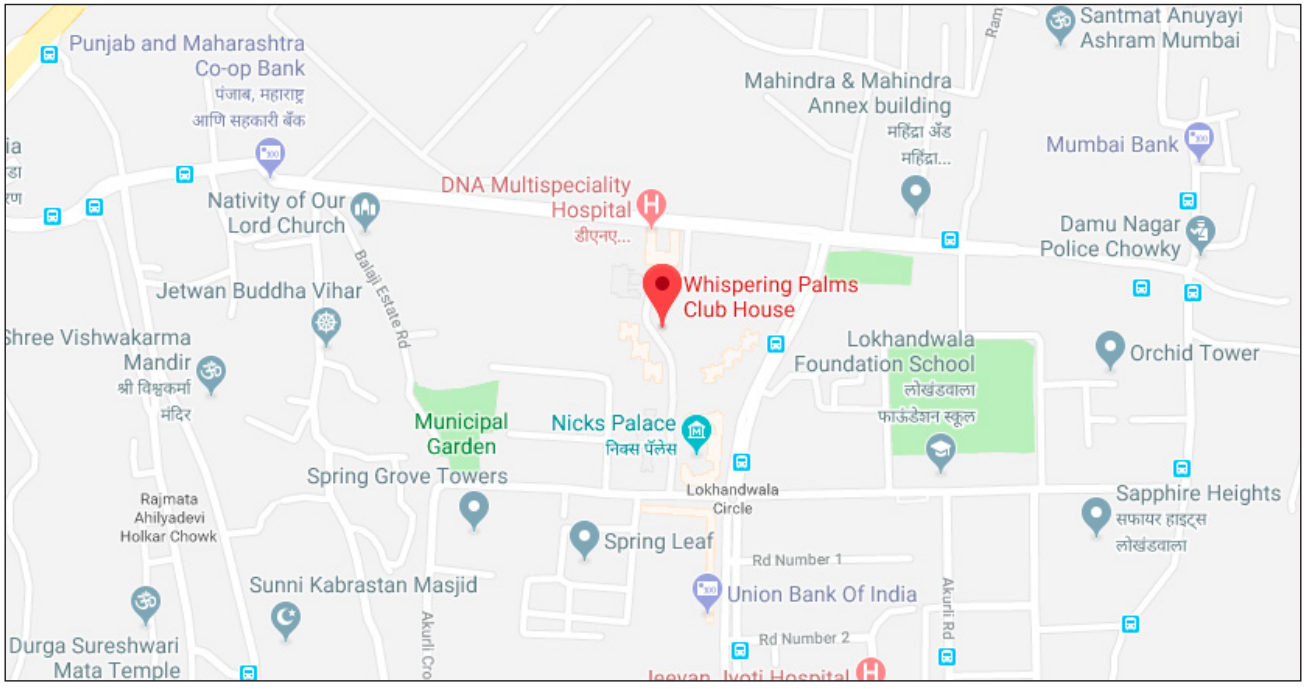
Navraj Malhotra
Whole Time Director
(DIN-00225183)

Yashika Yuvraj Malhotra
Chief Financial Officer

Sajan Motwani
Company Secretary

AGM VENUE

Whispering Palms Club House, Lokhandwala Township, Kandivali (East) Mumbai - 400101



HILTON METAL FORGING LIMITED

CIN: L28900MH2005PLC154986
Regd. Office: 701, Palm Spring, Link Road, Malad (West) Mumbai-400064
Email: secretarial@hiltonmetal.com; Phn No: 022-4042 6565
13th Annual General Meeting, Friday, 28th September, 2018 at 03.30 P.M

ANNUAL GENERAL MEETING
ATTENDANCE SLIP

(To be presented at the entrance)

DP ID No	Regd. Folio No	Client ID No	No. of shares held

Name: _____Address:_____

_____

Name of Proxy:_____ (To be filled in, if the Proxy attends instead of the member) I certify that I am a Member/Proxy for the member of the Company.

I hereby record my presence at THIRTEEN ANNUAL GENERAL MEETING of the Hilton Metal Forging Limited, held on Friday, 28th day of September, 2018 at 03.30 p.m. Whispering Palms Club House, Whispering Palms, Lokhandwala Town Ship, Kandivali east, Mumbai - 400 101.

_____ _____

Member's/ Proxy's name in BLOCK Letters Signature of Member/Proxy

NOTE:

1. Member / Proxy holder wishing to attend the meeting must bring the Attendance Slip duly signed to the meeting and hand it over at the entrance.
2. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
3. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

HILTON METAL FORGING LIMITED

CIN: L28900MH2005PLC154986
Regd. Office: 701, Palm Spring, Link Road, Malad (West) Mumbai-400064
Email: secretarial@hiltonmetal.com; Phn No: 022-4042 6565
13th Annual General Meeting, Friday, 28th September, 2018 at 03.30 P.M

PROXY FORM

[***Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]***

Name of the member(s)	
Registered address	
E-mail ID	
Folio No / Client ID	
DP ID	

I / We, being the member(s) of _____shares of the above named company, hereby appoint
1 _____of_____ having e-mail id _____or failing him
2 _____of_____ having e-mail id _____or failing him
3 _____of_____ having e-mail id _____as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the THIRTEEN ANNUAL GENERAL MEETING of the Hilton Metal Forging Limited, held on Friday, 28th day of September, 2018 at 03.30 p.m and at any adjournment thereof in respect ofsuch resolutions as are indicated overleaf:

Sr. No	Item No (Description)	Type of Resolution	No of Shares held by me	I assent to the resolution (For)	I dissent to the resolution (Against)
	ORDINARY BUSINESS				
1	Receive, consider and adopt the audited Financial Statements for the Financial year ended 31st March, 2018 together with the Reports of the Board of Directors and the Auditor's thereon.	Ordinary			
2	Reappointment of Mrs. Diksha Yuvraj Malhotra as Director of the Company, who retires by rotation.	Ordinary			
	SPECIAL BUSINESS				
3	Appointment of M/s Anil Bansal & Associates, Chartered Accountants as Statutory Auditors of the Company for filling casual vacancy caused by the resignation of M/s R Jaitlia & Co. Chartered Accountants	Ordinary			
4	Appointment of M/s Anil Bansal & Associates, Chartered Accountants as the Statutory Auditors of the Company for a term of up to five years and fixing their remuneration	Ordinary			
5	Regularisation of Additional Director, Mr. Sukesh Kumar Joshi by appointing him as Independent Director of the Company.	Ordinary			
6	Appoint Ms. Nikita Talati of M/s. NNT & Co, Cost Accountants, Mumbai as Cost Auditors and to fix their remuneration.	Special			
7	Reappointment of Mrs. Diksha Yuvraj Malhotra as Executive Director	Ordinary			

Signed this .....day of 2018

Signature of shareholder.....

Signature of Proxy holder(s) _____ _____ _____

(first proxy holder) (second proxy holder) (third proxy holder)

Affix Revenue Stamp of ₹ 1

NOTES:

1. This form of proxy in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company at 701 Palm Spring, Link Road, Malad (West), Mumbai-400064 not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a Member of the Company.
3. For the Resolutions, Statement setting out material facts concerning items of special business, please refer to the Notice convening the Twelth Annual General Meeting.

BALLOT FORM

[*Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014*]

13th Annual General Meeting, Friday, 28th September, 2018 at 03.30 P.M

Name of the Company: Hilton Metal Forging Limited

Registered Office: 701, Palm Spring, Link Road, Malad West, Mumbai- 400 064

CIN: L28900MH2005PLC154986

Sr. No	Particulars	Details
1	Name of the First Named Shareholder (In Block Letter)	
2	Name (s) of the Joint Holder(s) (If any)	
3	Postal Address	
4	Registered Folio No./ *Client ID No. (*applicable to investors holding shares in dematerialized form)	
5	Number of Share(s) held	

I hereby exercise my vote in respect of the Ordinary/Special resolution(s) enumerated below by recoding my assent or dissent to the said Resolution(s) in the following manner:

Sr. No	Item No (Description)	Type of Resolution	No of Shares held by me	I assent to the resolution (For)	I dissent to the resolution (Against)
	ORDINARY BUSINESS				
1	Receive, consider and adopt the audited Financial Statements for the Financial year ended 31st March, 2018 together with the Reports of the Board of Directors and the Auditor's thereon.	Ordinary			
2	Reappointment of Mrs. Diksha Yuvraj Malhotra as Director of the Company, who retires by rotation.	Ordinary			
	SPECIAL BUSINESS				
3	Appointment of M/s Anil Bansal & Associates, Chartered Accountants as Statutory Auditors of the Company for filling casual vacancy caused by the resignation of M/s R Jaitlia & Co. Chartered Accountants	Ordinary			
4	Appointment of M/s Anil Bansal & Associates, Chartered Accountants as the Statutory Auditors of the Company for a term of up to five years and fixing their remuneration	Ordinary			
5	Regularisation of Additional Director, Mr. Sukesh Kumar Joshi by appointing him as Independent Director of the Company.	Ordinary			
6	Appoint Ms. Nikita Talati of M/s. NNT & Co, Cost Accountants, Mumbai as Cost Auditors and to fix their remuneration.	Ordinary			
7	Reappointment of Mrs. Diksha Yuvraj Malhotra as Executive Director	Special			

Place :

Date : **Signature of the Member**

Form No. SH-13
Nomination Form
[***Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014***]

13th Annual General Meeting, Friday, 28th September, 2018 at 03.30 P.M

To,
Hilton Metal Forging Limited
701, Palm Spring, Link
Road, Malad (West),
Mumbai-400064.

I/We _____ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of Securities	Folio No	No.of Securities	Certificates No	Distinctive No.

(2) PARTICULARS OF NOMINEE/S —

(a) Name:

(b) Date of Birth:

(c) Father's/Mother's/Spouse's name:

(d) Occupation:

(e) Nationality:

(f) Address:

(g) E-mail id:

(h) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR--

(a) Date of birth:

(b) Date of attaining majority:

(c) Name of guardian:

(d) Address of guardian:

Name:_____

Address: _____

_____

_____

Name of the SecurityHolder(s):_____

Signature:_____

Witness with name and address:_____

Signature:_____

HILTON
METAL FORGING LTD.

if undelivered please return to:

Corporate office:
HILTON METAL FORGING LTD.
204, Tanishka Commercial Building,
Akurli Road, Near - Growel 101 Mall,
Kandivali - East Mumbai 400101.
Email: info@hiltonmetal.com Web: www.hiltonmetal.com

CRYSTAL (022) 6614 0900 • Info@crystalforms.com