



HILTON METAL FORGING LIMITED

CIN: L28900MH2005PLC154986

Regd. Office: Unit B 510 Western Edge II Village Nr. W.E.Highway, Magathane, Borivali E Mumbai 400066
Corp Office: 204, Tanishka Commercial Building, Akurli Road, Next to Growel 101 Mall, Kandivali(E), Mumbai – 400 101

Website: www.hiltonmetal.com ; **Email:** secretarial@hiltonmetal.com

Tel No: 022- 40426565 **Fax:** 022- 40426566

NOTICE OF POSTAL BALLOT

NOTICE is hereby given to the Members of Hilton Metal Forging Limited (the “Company”) pursuant to the provisions of Section 108 and Section 110 of the Companies Act, 2013 (the “Act”) read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 (“Rules”), Secretarial Standard-2 on general meeting (the “SS-2”), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force, guidelines prescribed by the Ministry of Corporate Affairs (the “MCA”), for holding general meetings/conducting postal ballot process through e-voting vide General Circular Nos. 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020, 22/2020 dated 15th June 2020, 33/2020 dated 28th September 2020, 39/2020 dated 31st December 2020, 10/2021 dated 23rd June 2021 and 20/2021 dated 8th December 2021 (the “MCA Circulars”) in view of COVID-19 pandemic and any other applicable laws and regulations, that the following special business is proposed for consideration by the Members of the Company through Postal Ballot by voting through electronic means only (“e-voting”).

Special Business requiring consent of shareholders through Postal Ballot:

1. Issue of Equity Shares Warrants on Preferential Basis

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, and subject to the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended upto date (‘SEBI (ICDR) Regulations’), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended upto date (‘SEBI (LODR) Regulations’), as in force and subject to other applicable Rules / Regulations / Guidelines / Notifications / Circulars and clarifications issued thereunder, if any, from time to time by the Ministry of Corporate Affairs, the Securities and Exchange Board of India (‘SEBI’) and/ or any other competent authorities (hereinafter referred to as ‘Applicable Regulatory Authorities’) to the extent applicable, the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), and which may be agreed to by the Board of Directors of the Company (hereinafter called ‘the Board’ which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution or any person authorised by the Board or its committee for such purpose) and subject to any other alterations, modifications, corrections, changes and variations that may be decided by the Board in its absolute discretion, the Board be and is hereby authorised on behalf of the Company to create, offer, issue and allot by way of preferential issue, from time to time, in one or more tranches, upto 25,56,984 warrants fully convertible into equivalent number of Equity Shares of the Company (‘Warrants’), to Nexia International Private Limited, who is not a promoter and who does not belong to the promoter(s) and the promoter group of the Company, by way of preferential issue, for cash, at an issue price of INR 15.39/- (Rupees Fifteen rupees and Thirty nine paise only) per Warrant as determined by the Board in its absolute discretion and in accordance with the pricing guidelines prescribed under Regulation 165 of Chapter V of the SEBI ICDR Regulations (‘Warrant Issue Price’) for an aggregate amount not exceeding INR 3,93,51,983.76/- (Rupees Three Crore Ninety Three Lacs Fifty One Thousand Nine Hundred and Eighty Three And Seventy Six Paise Only), in such manner and on such terms and conditions as are stipulated in the explanatory statement attached hereto and to issue fresh Equity Shares on the conversion of Warrants on such terms and conditions as may be determined by the Board in accordance with the provisions of the SEBI ICDR Regulations or other applicable laws.”

“**RESOLVED FURTHER THAT** in accordance with the provision of Chapter V of the SEBI (ICDR) Regulations, the ‘Relevant Date’ for the purpose of calculating the price for the Preferential Issue of Warrants be and is hereby fixed as Friday, 17th December, 2021, being the date 30 days prior to the date of passing of the Special Resolution by the Members of the Company.”

“**RESOLVED FURTHER THAT** without prejudice to the generality of the above resolution, the issue of the Warrants and Equity Shares to be allotted on exercise of Warrants under the Preferential Allotment shall be subject to the following terms and conditions, apart from others as prescribed under applicable laws:

- (a) The Warrant holder shall, subject to the SEBI (ICDR) Regulations and other applicable rules, regulations and laws, be entitled to apply for and be allotted one equity share against each Warrant.
- (b) An amount equivalent to 25% of the Warrant Price shall be payable at the time of subscription and allotment of each Warrant and the balance 75% of the Warrant Price shall be payable by the Warrant holder against each Warrant at the time of allotment of Equity Shares, if and when the right attached to Warrant(s) to subscribe for the Equity Share(s) is exercised. The amount paid against Warrants shall be adjusted / appropriated against the issue price for the resultant Equity Shares.
- (c) The Warrants shall be allotted in dematerialized form within a period of 15 days from the date of passing of the special resolution by the Members, provided that where the allotment of Warrants is subject to receipt any approval(s) or permission(s) from Applicable Regulatory Authority(ies) or Government of India, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approval or permission.
- (d) The Warrants and the Equity Shares allotted pursuant to exercise of such Warrants shall be subject to lock-in for such period as specified in the provisions of Chapter V of the SEBI (ICDR) Regulations and be listed on the Stock Exchanges(s) subject to receipt of necessary permission(s), sanction(s) and approval(s).
- (e) The price determined and the number of Equity Shares to be allotted on conversion of the Warrants shall be subject to appropriate adjustments as permitted under the rules, regulations and laws, as applicable from time to time.
- (f) The warrant holders shall be entitled to all future corporate actions including but not limited to issue of bonus / rights, if any, and the Company shall reserve proportion of such entitlement for the warrant holders.
- (g) The right attached to Warrants may be exercised by the Warrant holder, in one or more tranches, at any time on or before the expiry of 18 months from the date of allotment of the Warrants by issuing a written notice to the Company specifying the number of Warrants proposed to be converted along with the aggregate amount payable thereon. The Company shall accordingly, without any further approval from the Members, allot the corresponding number of Equity Shares in dematerialized form.
- (h) The Equity Shares to be allotted on exercise of the Warrants shall be fully paid up and rank pari passu with the existing Equity Shares of the Company in all respects (including with respect to dividend and voting powers) from the date of allotment thereof, and be subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum and Articles of Association of the Company.
- (i) In the event the warrant holder does not exercise the Warrants within 18 months from the date of allotment, the Warrants shall lapse and the amount paid at the time of subscription of the Warrants shall stand forfeited.
- (j) The Warrants by itself until exercised and Equity Shares allotted, does not give to the warrant holder thereof any rights with respect to that of a shareholder of the Company”

“**RESOLVED FURTHER THAT** pursuant to the provisions of the Act, the name(s) of the proposed allottee(s) be recorded for the issuance of invitation to subscribe to the Warrants and a private placement offer letter in Form No. PAS-4 together with an application form be issued to the proposed allottee inviting them to subscribe to the Warrants.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the foregoing (including modification(s) to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion may deem appropriate, without being required to seek any fresh approval of the Members and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Warrants and listing thereof with the Stock Exchanges as appropriate, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification(s) to the foregoing and the decision of the Board shall be final and conclusive.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any other Director(s) or any other officer(s) of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary to give effect to the aforesaid resolution.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to negotiate and decide terms and conditions of security, finalize and execute all deeds, documents and writings as may be necessary, desirable or expedient, settle any question, difficulty or doubt that may arise in this regard, do all such acts, deeds, matters and things, as it may, in its absolute discretion deem necessary, proper or desirable and to delegate all or any of these powers to Committee(s) of the Board or any other person.”

Registered Office:

Unit B 510 Western Edge II Village Nr. W.E.Highway,
Magathane, Borivali E Mumbai 400066 IN
CIN: L28900MH2005PLC154986
Tel: 022- 40426565 Fax: 022- 40426566
Website: www.hiltonmetal.com;
Email: secretarial@hiltonmetal.com

By Order of The Board of Directors
FOR HILTON METAL FORGING LIMITED



Yuvraj Malhotra
(Chairman & Managing Director)
(DIN: 00225156)

Place: Mumbai
Date: 24th December, 2021

NOTES:

1. The explanatory statement pursuant to the provisions of Section 102(1) of the Act read with the relevant Rules made thereunder, setting out material facts is annexed herewith hereto.
2. **In compliance with the MCA Circulars, the Notice along with the instructions regarding e-voting is being sent only by email to all those members**, whose email addresses are registered with the Company or with the depository(ies) /depository participants and whose names appear in the register of members/list of beneficial owners as on the Cut-off date i.e., Friday, 17th December, 2021. As per the MCA Circulars and on account of the threats posed by the COVID-19 pandemic, physical copies of the Notice, Postal Ballot Forms and pre-paid business reply envelopes are not being sent to the members for this Postal Ballot. For receiving copy of postal ballot notice, members who have not yet registered their email addresses are requested to get their email addresses registered with **Link Intime India Pvt. Ltd**, Registrar and Transfer Agent of the Company, on a temporary basis at https://web.linkintime.co.in/EmailReg/Email_Register.html
3. The Notice shall also be uploaded on the website of the Company at www.hiltonmetal.com on the website of National Securities Depository Limited (“NSDL”) at <https://nsdl.co.in/> and on the website of BSE Limited www.bseindia.com and NSE Limited www.nseindia.com. All the members of the Company as on the Cut-off date shall be entitled to vote in accordance with the process specified in this Notice.
4. In compliance with the provisions of Section 108 and Section 110 of the Act and other applicable provisions read with the Rules, the Company is pleased to offer e-voting facility to all the Members of the Company. For this purpose, the Company has entered into an agreement with NSDL for facilitating e-voting to enable the Members to cast their votes electronically.
5. The voting rights of the Members shall be reckoned in proportion to their shares of the paid-up equity share capital as on Friday, 17th December, 2021 (End of Day), being the ‘cut-off date’ fixed for this purpose. Any person who is not a Member as on cut-off date should treat this notice for information purpose only.
6. The voting period will commence from Monday, 27th December, 2021 at 9.00 a.m. IST and end on Tuesday, 25th January, 2022 at 5.00 p.m IST. The e-voting module shall be disabled by NSDL for voting thereafter.
7. The Company has appointed Ms. Shreya Shah (Membership No. A39409, CP No. 15859), Practicing Company Secretary, as the Scrutinizer to scrutinize the Postal Ballot process in a fair and transparent manner.
8. The Scrutinizer shall, after conclusion of the voting period, prepare report of the votes cast in favour or against, if any, and submit the same to the Chairman of the Company or any person authorized by him. The results of the e-voting by

Postal Ballot will be announced not later than two working days of the conclusion of the e-voting i.e. on or before Friday, 28th January, 2022. The Resolution, if passed by requisite majority shall be deemed to have been passed on Tuesday, 25th January, 2022, being the last date specified by the Company for e-voting.

9. The declared results along with the report of Scrutinizer shall be intimated to BSE Limited and NSE Limited where the shares of the Company are listed. Additionally, the results will also be uploaded on the Company’s website at www.hiltonmetal.com and on the website of NSDL at <https://nsdl.co.in/>.

10. The Instructions for Members for e-voting are as under:

How do I vote electronically using NSDL e-Voting system?




The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csshreyahshah@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:


1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@hiltonmetal.com .
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@hiltonmetal.com . If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-1020-990/ 1800-22-44-30 or send a request at evoting@nsdl.co.in

Registered Office:

Unit B 510 Western Edge II Village Nr. W.E.Highway,
Magathane, Borivali E Mumbai 400066 IN
CIN: L28900MH2005PLC154986
Tel: 022- 40426565 Fax: 022- 40426566
Website: www.hiltonmetal.com;
Email: secretarial@hiltonmetal.com

By Order of The Board of Directors
FOR HILTON METAL FORGING LIMITED



Yuvraj Malhotra
(Chairman & Managing Director)
(DIN: 00225156)

Place: Mumbai
Date: 24th December, 2021

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO: 1

Hilton Metal Forging Limited (“Company”) became the first MSME to develop, receive approval and supply 100% Indigenous made Solid Forged Railway Wheels (Narrow Gauge). To meet increasing fund requirements for this business of developing 100% Indigenous Solid Forged Railway Wheels and to augment long term resources and ensuring long term viability and growth of the Company including enhancing competitiveness, it is proposed to issue Equity Share Warrants to “Nexia International Private Limited” (“Nexia”)

In accordance with the above, the Board of Directors of the Company at their meeting held on 24th December, 2021, approved the issue upto 25,56,984 warrants fully convertible into equivalent number of Equity Shares of the Company (‘Warrants’), in one or more tranches, to Nexia, who is not a promoter and who does not belong to the promoter(s) and the promoter group of the Company, by way of preferential issue, for cash, at an issue price of INR 15.39/- (Rupees Fifteen rupees and Thirty nine paise only) per Warrant as determined by the Board in its absolute discretion and in accordance with the pricing guidelines prescribed under Regulation 165 of Chapter V of the SEBI ICDR Regulations (‘Warrant Issue Price’) for an aggregate amount not exceeding INR 3,93,51,983.76/- (Rupees Three Crore Ninety Three Lacs Fifty One Thousand Nine Hundred and Eighty Three And Seventy Six Paise Only)

Nexia has consented to the proposed preferential issue and has confirmed its eligibility in terms of Regulation 159 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the ‘SEBI (ICDR) Regulations’).

In accordance with Sections 42 and 62 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the ‘SEBI (LODR) Regulations’), as amended from time to time, approval of the Members of the Company by way of special resolution is required to issue the Warrants on preferential basis.

Further disclosures in relation to the Special Resolution set out in the accompanying Notice are as follows:

- 1. Date of passing of Board resolution for approving preferential issue :** 24th December, 2021
- 2. Objects of the preferential issue:** To meet increasing fund requirements for its business of developing 100% Indigenous Solid Forged Railway Wheels and to augment long term resources and ensuring long term viability and growth of the Company including enhancing competitiveness.
- 3. Kinds of securities offered and the price at which security is being offered:** Issue of upto 25,56,984 warrants fully convertible into equivalent number of Equity Shares of the Company (‘Warrants’), to Nexia, who is not a promoter and who does not belong to the promoter(s) and the promoter group of the Company, by way of preferential issue, for cash, at an issue price of INR 15.39/- (Rupees Fifteen rupees and Thirty nine paise only) per Warrant as determined by the Board in its absolute discretion and in accordance with the pricing guidelines prescribed under Regulation 165 of Chapter V of the SEBI ICDR Regulations (‘Warrant Issue Price’) for an aggregate amount not exceeding INR 3,93,51,983.76/- (Rupees Three Crore Ninety Three Lacs Fifty One Thousand Nine Hundred and Eighty Three And Seventy Six Paise Only).
- 4. Basis or justification for the price (including premium, if any) at which the offer or invitation is being made:** Since the equity shares of the Company are not frequently traded, the Warrants to be issued and allotted on a preferential basis at a price of INR 15.39/- (Rupees Fifteen rupees Thirty nine paise only) per Warrant, which is determined in accordance with Regulation 165 of Chapter V of SEBI ICDR Regulations, after taking into account the valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation. In this regard, the Company has obtained certificate from Mr. Dharmesh Tiwari (ICAI Mem No: 040961/ IBBI reg No. 1bbi/rv/06/2019/11302), an Independent Valuer, confirming the price determined and the compliance with this regulation.
- 5. Adjustments for Warrants:** The price determined above and the number of Equity Shares to be allotted on exercise of the Warrant shall be subject to appropriate adjustments, as permitted under applicable rules, regulations and laws as applicable from time to time.

6. Name and address of Valuer who performed valuation: The Company has obtained certificate from Mr. Dharmesh Tiwari (ICAI Mem No: 040961/ IBBI reg No. 1bbi/rv/06/2019/11302), an Independent Valuer, based in Mumbai confirming the price determined for the proposed issue and the compliance with this regulation.

7. Amount which the Company intends to raise by way of issue of Warrants: The proposed Preferential Issue of Warrants shall be an aggregate amount not exceeding INR 3,93,51,983.76/- (Rupees Three Crore Ninety Three Lacs Fifty One Thousand Nine Hundred and Eighty Three And Seventy Six Paise Only) (assuming exercise of rights attached to all Warrants).

8. Material terms of Issue of Warrants:

The issue of Warrants shall be subject to the following terms and conditions:

- (a) The Warrant holder shall, subject to the SEBI (ICDR) Regulations and other applicable rules, regulations and laws, be entitled to apply for and be allotted one equity share against each Warrant.
- (b) An amount equivalent to 25% of the Warrant Price shall be payable at the time of subscription and allotment of each Warrant and the balance 75% of the Warrant Price shall be payable by the Warrant holder against each Warrant at the time of allotment of Equity Shares, if and when the right attached to Warrant(s) to subscribe for the Equity Share(s) is exercised. The amount paid against Warrants shall be adjusted / appropriated against the issue price for the resultant Equity Shares.
- (c) The Warrants shall be allotted in dematerialized form within a period of 15 days from the date of passing of the special resolution by the Members, provided that where the allotment of Warrants is subject to receipt any approval(s) or permission(s) from Applicable Regulatory Authority(ies) or Government of India, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approval or permission.
- (d) The Warrants and the Equity Shares allotted pursuant to exercise of such Warrants shall be subject to lock-in for such period as specified in the provisions of Chapter V of the SEBI (ICDR) Regulations and be listed on the Stock Exchanges(s) subject to receipt of necessary permission(s), sanction(s) and approval(s).
- (e) The price determined and the number of Equity Shares to be allotted on conversion of the Warrants shall be subject to appropriate adjustments as permitted under the rules, regulations and laws, as applicable from time to time.
- (f) The warrant holders shall be entitled to all future corporate actions including but not limited to issue of bonus / rights, if any, and the Company shall reserve proportion of such entitlement for the warrant holders.
- (g) The right attached to Warrants may be exercised by the Warrant holder, in one or more tranches, at any time on or before the expiry of 18 months from the date of allotment of the Warrants by issuing a written notice to the Company specifying the number of Warrants proposed to be converted along with the aggregate amount payable thereon. The Company shall accordingly, without any further approval from the Members, allot the corresponding number of Equity Shares in dematerialized form.
- (h) The Equity Shares to be allotted on exercise of the Warrants shall be fully paid up and rank pari passu with the existing Equity Shares of the Company in all respects (including with respect to dividend and voting powers) from the date of allotment thereof, and be subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum and Articles of Association of the Company.
- (i) In the event the warrant holder does not exercise the Warrants within 18 months from the date of allotment, the Warrants shall lapse and the amount paid at the time of subscription of the Warrants shall stand forfeited.
- (j) The Warrants by itself until exercised and Equity Shares allotted, does not give to the Warrant Holder thereof any rights with respect to that of a shareholder of the Company.

9. Principle terms of assets charged as securities: Not Applicable

10. The intention of the promoters, directors or key managerial personnel of the Company to subscribe to the offer: None of the promoters or members of promoter group or directors or key managerial personnel of the Company propose to subscribe to Warrants in the offer.

- 11. Time frame within which the preferential issue shall be completed:** The allotment of the Warrants shall be completed within a period of 15 days from the date of passing of the resolution by the Members, provided that where the allotment is pending on account of pendency of any approval(s) or permission(s) from any regulatory authority / body, the allotment shall be completed by the Company within a period of 15 days from the last date of such approval or permission.
- 12. Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue:** The Preferential Issue is proposed to be made to Nexia International Private Limited (Nexia), which is a Private Limited Company. Mr. Kamlesh Chauhan, Major Shareholder and Director of Nexia International Private Limited is to be recognized as a natural person representing Nexia, the proposed allottee for this issue.
- 13. Change in control if any, in the Company that would occur consequent to the preferential issue**
There shall be no change in control of the Company pursuant to the aforesaid Preferential Issue. However, the percentage of shareholding and voting rights exercised by the Members of the Company will change in accordance with the change in the shareholding pattern pursuant to the Preferential Allotment.
- 14. The number of persons to whom allotment on a preferential basis has been made during the year, in terms of number of securities as well as the price :** During the year, no preferential allotment has been made to any person as of the date of this Notice
- 15. Shareholding pattern of the Company before and after the preferential issue**

Sr. No.	Category	Pre Issue Shareholding		Post Issue Shareholding (After Exercise of Equity Share Warrants)	
		Total Number of Shares held	%	Total number of shares / Warrants held#	%
A	Promoters' holding :				
1	Indian :				
	Individual	6384097	51.3067	6384097	42.5606
	Bodies Corporate	-	-		
	Sub Total	6384097	51.3067	6384097	42.5606
2	Foreign Promoters	-	-		
	Sub Total (A)	6384097	51.3067	6384097	42.5606
B	Non Promoters' holding:				
1	Institutional Investors	859	0.0069	859	0.0057
2	Non Institutional Investors:				
	Individuals	5529311	44.4371	5529311	36.8621
	Others	528749	4.2494	3085733	20.5716
	Sub Total (B)	6058919	48.6933	8615903	57.4394
	Grand Total (A+B)	12443016	100.0000	15000000	100.0000

Notes:

a. The above Shareholding pattern assumes allotment of 25,56,984 equity shares to be issued and allotted upon exercise of right attached to all the Warrants. In the event, right for allotment of Share against all or any of the Warrant(s) are not exercised, the Shareholding Pattern shall change correspondingly.

assuming full conversion of warrants.

b. Pre issue shareholding reflects shareholding of the Company as on 17th December, 2021. Post issue holding of all the other shareholders is assumed to remain the same.

- 16. Contribution being made by the promoters or directors either as part of the preferential issue or separately in furtherance of objects :** No contribution is being made by promoters or directors of the Company, as part of the preferential issue.
- 17. Undertaking:** The Company undertakes to re-compute the price of the Equity Shares and/or Warrants in terms of the provisions of the SEBI (ICDR) Regulations where it is required to do so and that if the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, the Equity Shares and/or Warrants shall continue to be locked-in till the time such amount is paid by the allottee.
- 18. Disclosures specified in Schedule VI of the SEBI (ICDR) Regulations, if the issuer or any of its promoters or directors is a willful defaulter:** None of the Company, its Directors or Promoters have been declared as willful defaulter as defined under the SEBI (ICDR) Regulations. None of its Directors or Promoters is a fugitive economic offender as defined under the SEBI (ICDR) Regulations.
- 19. Relevant Date:** The 'Relevant Date' for determining the issue price of the Equity Share Warrants shall be 24th December, 2021, being the date (preceding the weekend or the holiday) which is 30 days prior to the last date specified by the Company for e-voting i.e. 25th January, 2022 which is deemed to be the date of passing of resolution by requisite majority in terms of Section 110 of the Act read with the relevant Rules made there under.
- 20. Lock-in:** The Resultant Equity Shares to be issued and allotted upon exercise of right attached to the Warrants as above shall be subject to a lock-in for such period as specified under applicable provisions of the SEBI (ICDR) Regulations.
- 21. Auditors' Certificate:** As required in Regulation 163(2) of the SEBI (ICDR) Regulations, a certificate from the Statutory Auditors of the Company, certifying that the issue is being made in accordance with the requirements of the SEBI (ICDR) Regulations, is available for inspection by the Members of the Company at the Registered Office of the Company on all working days, except Saturdays between 11:00 A.M. and 1:00 P.M. upto 25th January, 2022.


Issue of the Resultant Equity Shares arising from exercise of Warrants would be well within the Authorised Share Capital of the Company. The Board of Directors believe that the proposed issue is in the best interest of the Company and its Members and therefore recommends the Special Resolution as set out in Item No. 1 in the accompanying notice for approval by the Members.

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

Registered Office:

Unit B 510 Western Edge II Village Nr. W.E.Highway,
Magathane, Borivali E Mumbai 400066 IN
CIN: L28900MH2005PLC154986
Tel: 022- 40426565 Fax: 022- 40426566
Website: www.hiltonmetal.com;
Email: secretarial@hiltonmetal.com

By Order of The Board of Directors
FOR HILTON METAL FORGING LIMITED



Yuvraj Malhotra
(Chairman & Managing Director)
(DIN: 00225156)

Place: Mumbai
Date: 24th December, 2021