



Hilton Metal Forging Ltd. TM

GOVT. RECOGNIZED EXPORT HOUSE

CIN : I-28900 MN 2005 PLC 154986

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



REGISTERED OFFICE :
B-510, WESTERN EDGE-II,
N.R. WESTERN EXPRESS HIGHWAY,
MAGATHANE, BORIVALI EAST,
MUMBAI-400066

Date: 5th September, 2024

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400001 Scrip Code: 532847	National Stock Exchange of India Limited 5 th Floor, Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai-400051 Symbol: HILTON
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Dear Sir/Madam,

Sub : Submission of 19th Annual report for the Financial Year 2023-24

Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, we hereby submit the 19th Annual report for the Financial Year 2023-24.

Kindly take the above on your record.

Yours Faithfully,

For Hilton Metal Forging Limited

Mr. Yuvraj Malhotra
Chairman and Managing Director
DIN: 00225156

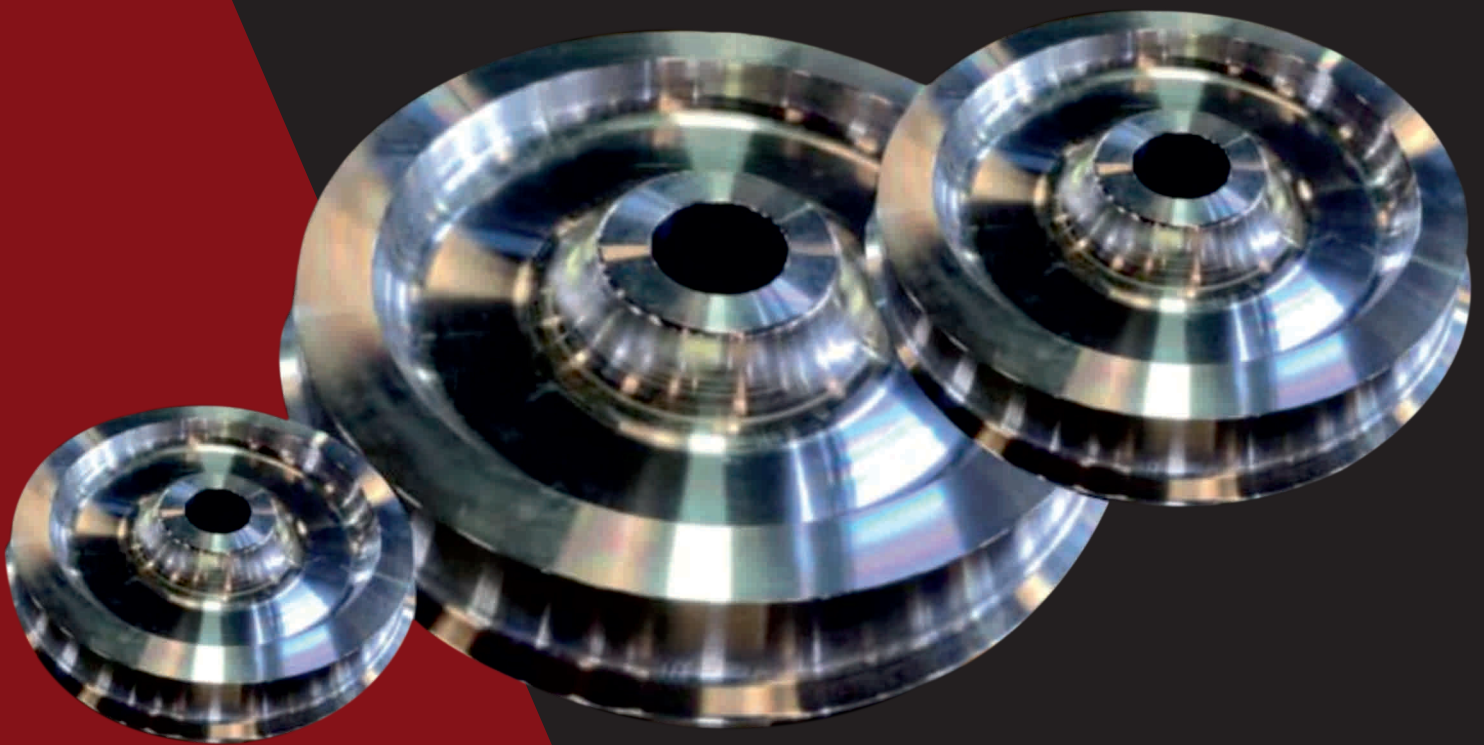
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HILTON

METAL FORGING LTD.

**Empowering Railways with Innovation-Driven
Indian-Made Forged Wheels**



Annual Report 2023-2024

BOARD OF DIRECTORS

Shri Yuvraj Malhotra
Shri Sandeep Ravindra Shah
Shri Prithivish Mundra
Smt Nikita Moradia
Shri Vivek Sharma
Shri Priyam Chaturvedi

Chairman and Managing Director
Independent Director
Independent Director
Independent Director
Non-Executive Non-Independent Director
Non-Executive Non-Independent Director

CHIEF FINANCIAL OFFICER

Mr. Mohak Malhotra

COMPANY SECRETARY

Ms. Richa Shah

STATUTORY AUDITORS

M/s. Anil Bansal & Associates
Chartered Accountants
1001 IJMIMA Complex,
Raheja's Metroplex, Link Road,
Malad (W), Mumbai – 400064

COST AUDITORS

Mr. Ritesh Talati of M/s. V J Talati & Co.
Cost Accountants
602 Silver Matru Prabha
Cama Lane, Kirol Road,
Ghatkopar West, Mumbai -400086

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt Ltd
C-101, 247 Park, LBS Marg,
Surya Nagar,
Vikhroli West,
Mumbai 400 083

INTERNAL AUDITORS

M/s. Paresh Kapasi & Associates
Chartered Accountants
Bungalow No 40, Jansukh Niwas,
Kasturba Road, Kandivali (West),
Mumbai - 400 067.

REGISTERED OFFICE

303, Tanishka Commercial Co-op. Society Ltd
Akurli Road, Kandivali East,
Near Growel 101 Mall,
Mumbai-400101
Telephone No. +91-22-40426565

PLANT LOCATION

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
Telephone No. +91-22-40426565

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FROM THE CHAIRMAN'S DESK

Dear Shareholders,

The year gone by has been exceptional for us at Hilton Metal Forgings Limited. It has been characterised by unparalleled achievements and substantial advancements in our operations. I am truly privileged to extend my gratitude to our esteemed stakeholders for their everlasting trust in Hilton. At the outset, I would like to present a brief overview of our journey and milestones achieved throughout the years.

The journey of Hilton Metal Forgings Ltd started with the manufacturing of Stainless Steel Forged Items. Over time, we have emerged as the nation's emerging producer of automobile crankshafts and Railway Wheels. Today, our Company stands as a venerable Indian manufacturer with over two decades of legacy, specialising in producing and supplying intricate and safety-critical, heavy-forged, and high-precision machined components towards petrochemicals, automobiles and railway industry.

Leveraging our vertically integrated operations, we are deeply involved in engineering, process design, rigorous testing, manufacturing, and the seamless supply of a diverse range of components to both domestic and global original equipment manufacturers (OEMs).

Our commitment to growth and innovation is perfectly encapsulated in our overarching theme for this fiscal year, 'Accelerating Engineering Excellence. Driving Value Accretive Growth.' It underscores our dedication to leading transformative advancements within the industry and reaffirms our determination to drive a positive paradigm shift in engineering excellence.

The global economy witnessed a remarkable resurgence in the past year. It recovered from recent upheavals, prompting central banks to halt interest rate hikes amid moderating inflationary pressures. However, persistent geopolitical tensions and the Red Sea crisis, including the strife between Israel and Palestine, continue to present significant challenges. Amidst all this, India stands out as a beacon of economic dynamism, showcasing the fastest growth among major economies and attracting substantial foreign investments, thus solidifying its pivotal role in the Global South. This economic upswing is fuelled by India's vibrant and youthful demographic dividend alongside a conducive business environment.

The global forging and machining markets are currently experiencing steady growth. The forging industry is poised to reach an impressive US\$97.0 bn by FY 2029, with a projected Compound Annual Growth Rate (CAGR) of 5.1% for forging. Similarly, the machining industry expects a CAGR of 5.2%, surging towards a value of US\$71.2 bn. In terms of the non-automotive sector encompassing farm equipment, off-highway vehicles, and industrial, the global forging and machining markets are expected to reach approximately \$35.2 bn and \$13.3 bn, respectively, in 2025. These figures are likely to escalate significantly to approximately \$47.4 bn and \$18.0 bn by the year 2029, reflecting a promising trajectory of growth and expansion.

Hilton Metal Forgings has demonstrated robust growth, registering a healthy CAGR of 34% and 33.98% in revenues and profits respectively over the last 5 years. It gives me immense pride to showcase our Company's transformation into a leading entity within the forging and machining sectors. By strategically realigning our business model, we have expanded our footprint across diverse sectors and enhanced our portfolio of products and services. Our core focus remains on developing solutions that reduce carbon emissions and boost operational efficiency, thereby promoting eco-friendly practices. We recognise the need to be an environmentally responsible organisation and are committed to halving Scope 1 and Scope 2 emissions by 2030. At the heart of our vision lies a relentless pursuit of pioneering sustainable and environment-friendly innovations. We are dedicated to making a tangible impact by fostering a greener future and actively contributing to global sustainability efforts.

Our dedication goes beyond our workplace's confines to foster community well-being as well, exemplifying our commitment to redefining possibilities by repurposing resources for educational advancement and societal betterment. At HMFL, we remain determined to pursue innovation, sustainability, and operational excellence. Our strategic investments and sustainable practices will continue to drive value creation for all stakeholders while contributing to creating a resilient and prosperous future for generations to come. In conclusion, I sincerely thank our esteemed stakeholders for their unwavering support and trust in Hilton Metal Forging Limited. Together, we embark on an exciting journey of continuous growth and achievement, pushing the boundaries of possibility and innovation to new heights.



YUVRAJ MALHOTRA

DIRECTORS' REPORT

To,
The Members
Hilton Metal Forging Limited

Your Directors have pleasure in presenting the Nineteenth Annual Report together with the Audited Financial Statements for the Financial Year (FY) ended 31st March, 2024.

1. FINANCIAL HIGHLIGHTS

Particulars	FY 2023-24	FY 2022-23
Total Income	13,988.80	10,539.30
Total Expenses	13,202.28	9,835.85
Profit Before Tax	786.52	703.45
Provision for Tax	117.94	117.47
Profit After Tax	668.58	585.97

2. COMPANY'S PERFORMANCE REVIEW

During the year under review, the total turnover of the Company increased to Rs. 13,807.11 lakhs (PY: Rs. 10,482.95 lakhs). During the year under review, Profit after Tax (PAT) was recorded at Rs. 668.58 lakhs (PY: Rs. 585.97 lakhs).

3. CHANGE IN NATURE OF BUSINESS

There was no change in the 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 during the FY under review.

5. DIVIDEND

Your Directors have not recommended any dividend for FY 2023-24.

6. TRANSFER OF UNPAID AND UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

Pursuant to the provisions of Section 124 of the Companies Act, 2013 ("the Act") and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the declared dividends, which remain unpaid or unclaimed for a period of 7 (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).

During the year under review, the Company was not required to transfer any dividend to Investor Education and Protection Fund (IEPF).

7. PUBLIC DEPOSITS

During the FY under review, 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 Act, and rules made thereunder.

8. INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

The Company does not have any Subsidiary, Joint Venture or Associate Company.

9. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE STATEMENT RELATES AND THE DATE OF THE REPORT

No material changes and commitments which could affect the Company's financial position, have occurred between the end of the financial year and the date of this Report.

10. ANNUAL RETURN

The Annual Return pursuant to Section 92(3) read with Section 134(3)(a) of the Act is available on Company's website at <https://www.hiltonmetal.com/annual/>

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL**a) Composition of Board and Key Managerial Personnel**

The Board is constituted in accordance with the requirements of the Act read with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

During the year under review, following changes were made in the Composition of the Board.

Induction to the Board:

Based on the recommendation of the Nomination and Remuneration Committee (NRC) and subject to the approval of the shareholders, the Board, in accordance with the provisions of Section 161 of the Act and applicable SEBI Listing Regulations, appointed Mr. Vivek Sharma (DIN: 10238196) and Mr. Priyam Chaturvedi (DIN: 10238193) as Additional Non-Executive and Non-Independent Directors of the Company, liable to retire by rotation w.e.f. 13th July, 2023. The shareholders of the Company approved the above appointment of Mr. Vivek Sharma and Mr. Priyam Chaturvedi as Non-Executive and Non-Independent Directors of the Company by way of ordinary Resolutions at the 18th Annual General Meeting of the Company held on 25th August, 2023.

Appointment/Re-appointment of Directors in AGM

In terms of provisions of the Act, Mr. Priyam Chaturvedi (DIN: 10238193), Non-Executive and Non-Independent Director of the Company, will retire by rotation at the ensuing Annual General Meeting in pursuance of Section 152 of the Act and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

As stipulated under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief resume of the Directors proposed to be appointed/re-appointed is given in the Notice convening 19th Annual General Meeting.

Cessation:

Mr. Sanjay Jain (DIN: 00152758), resigned as Independent Director of the Company w.e.f. close of business hours of 27th July, 2023 due to personal and other professional commitments and inability to travel frequently between cities and further he has confirmed that there was no other material reason for his resignation other than mentioned above for his resignation.

Mr. Sukesh Joshi (DIN: 08153689), ceased to be an Independent Director of the Company w.e.f. close of business hours of 25th August, 2023 on account of completion of his second term as an Independent Director of the Company.

Key Managerial Personnel

Pursuant to the provisions of Sections 2(51), and 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Yuvraj Malhotra, Chairman & Managing Director, Mr. Mohak Malhotra, Chief Financial Officer and Ms. Richa Shah, Company Secretary are the Key Managerial Personnel of the Company as on 31st March 2024.

Mr. Siddharth Jain, resigned as Chief Financial Officer of the Company w.e.f. close of business hours of 30th June, 2023.

Mr. Mohak Malhotra was appointed as Chief Financial Officer of the Company w.e.f. 13th July, 2023.

b) Declaration by Independent Director(s)

The Company has received declarations from all the Independent Directors of the Company affirming compliance with the criteria of independence laid under the provisions of Section 149(6) of the Act and under Regulation 16 (1)(b) of Listing Regulations.

c) Board Meetings

During the year under review, the Company held Seven Board Meetings and a separate meeting of Independent Directors. The details of meetings of the Board are provided in the Report on Corporate Governance that forms part of this Annual Report. The maximum interval between any two meetings did not exceed the gap prescribed under the Act.

d) Performance Evaluation of the Board

Pursuant to the provisions of the Act, and Regulation 17 of Listing Regulations, 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.

e) Committees of the Board

The Board has constituted a set of committees in accordance with the requirements of the Act. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The statutorily mandated committees constituted under the provisions of the Act and Listing Regulations are the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee. The composition, terms of reference and other such necessary details of these Board level committees are provided in the Corporate Governance Report forming part of this Annual Report.

f) Nomination and Remuneration policy

Pursuant to the Provision of Section 178 of the Act and Regulation 19 of Listing Regulations 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 is available on the Company's Website at <https://www.hiltonmetal.com/corporate-governance/>

g) Vigil Mechanism

As per the provisions of Section 177(9) of the Act, the Company has formulated Whistle Blower Policy and is required to establish a vigil mechanism for Directors and Employees. The Whistle Blower Policy can be accessed on the Company's website at <https://www.hiltonmetal.com/corporate-governance/>

12. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Act, in the preparation of annual accounts for the year ended on 31st March 2024 and confirm that:

- a. in the preparation of the annual accounts, for financial year 2023-24, the applicable accounting standards had been followed and there were 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.

13. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has formulated and adopted the "Code of Conduct to regulate, monitor and report trading by designated persons in Listed or Proposed to be Listed Securities" of the Company ("the Insider Trading Code"). The object of the Insider Trading Code is to set framework, rules and procedures which all concerned persons should follow, while trading in listed or proposed to be listed securities of the Company.

The Company has also adopted the Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("the Code") in line with the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018 and formulated a Policy for determination of 'legitimate purposes' as a part of the Code. The Code also includes policy and procedures for inquiry in case of leakage of Unpublished Price Sensitive Information (UPSI) and aims at preventing misuse of UPSI.

The Code of Conduct for prevention of Insider Trading is available on Company's website <https://www.hiltonmetal.com/corporate-governance/>

The Company Secretary appointed serves as the Compliance Officer to ensure compliance and effective implementation of the Insider Trading Code. Matters related to the insider trading code are reported to the Audit Committee.

14. RISK MANAGEMENT

The Company implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to ensure that a robust system of risk controls and mitigation is in place. Senior management periodically reviews this risk management framework to keep it updated and address emerging challenges.

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

In accordance with Section 135 of the Companies Act, 2013 (“the Act”), all the Companies having net worth of Rs. 500 crore or more, or a turnover of Rs. 1000 crores or more or net profit of Rs. 5 crores or more during the immediately preceding financial year, are required to spend 2% of the average profits of last three preceding financial years on Corporate Social Responsibility (“CSR”) activities. The provisions of Section 135 of the Act are applicable to your company since your Company had a net profit of Rs. 5 crores or more during the immediately preceding financial year i.e. during FY 2022-23.

However, since the 2% of average net profits of the last three years is negative, Your Company was not required to spend on CSR during FY 2023-24.

Hence, the CSR Report as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to your Company for FY 2023-24.

16. REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance as stipulated under Listing Regulations forms an integral part of this Annual Report. Certificate from the Statutory Auditor of the Company confirming compliance of conditions of Corporate Governance as stipulated under Listing Regulations is attached to the report on Corporate Governance.

17. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the year under review forms an integral part of this Annual Report.

18. AUDITORS**a) Statutory Auditors and their Report:**

M/s. Anil Bansal & Associates, Chartered Accountants (Firm Registration Number: 100421W) were re-appointed as Statutory Auditors of the Company in the 18th Annual General Meeting (AGM) of the Company held on 25th August, 2023, for second term of five consecutive years, from the conclusion of 18th AGM till the conclusion of 23rd AGM to be held in the year 2028.

The Statutory Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules made thereunder to continue to act as Statutory Auditors of the Company.

Further, the Auditors' Report for the financial year ended, 31st March, 2024 is annexed herewith for your kind perusal and information.

The observations and comments given by the Auditors in their report read together with notes to Accounts are self-explanatory and hence do not call for any further comments under section 134 of the Act.

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.

The Board of Directors of the Company, on the recommendation of the Audit Committee, has appointed Mr. Ritesh N. Talati of M/s. V. J. Talati & Co. as the Cost Auditors of the Company to conduct the audit of cost records for the financial year 2024-25. Mr. Ritesh N. Talati, being eligible, has consented to act as the Cost Auditors of the Company for the financial year 2024-25. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor for approval by the members forms part of the Notice convening the 19th Annual General Meeting.

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 Ms. Shreya Shah, Practicing Company Secretary (Membership No. 39409) for conducting Secretarial Audit of the Company for the financial year ended on 31st March, 2024.

The Secretarial Audit Report for the financial year ended 31st March, 2024 is annexed herewith and marked as '**Annexure I**' to this Report. In the Report, the Secretarial Auditor has observed the following:

- i. Section 148(6) of the Companies Act, 2013 read with Rule 6(6) of the Companies (Cost Records and Audit) Rules, 2014 - Delay in filing e-Form CRA-4 for registering Cost Audit Report with the Central Government.

Directors Comments: Delay in filing was caused due to late receipt of Cost Audit Report.

- ii. Rule 7(3) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 - Delay in filing e-Form ZNCA_IEPF5_VPR_PRD (Online Verification Report) post verification of e-Form IEPF-5 filed.

Directors Comments: Delay in filing was caused due to late receipt of RTA Report on the claim made by the Investor in e-Form IEPF-5.

- iii. Section 79 of the Companies Act, 2013 – Delay in filing e-Form CHG-1 for registering modification of Charge ID -10021558 for availing credit facilities from the State Bank of India.

Directors Comments: Delay in filing was caused due to late receipt of relevant charge modification documents from the Bank.

- iv. Section 79 of the Companies Act, 2013- Non-filing of e-Form CHG-1 for registering modification of Charge ID -10021558 for availing credit facilities from the State Bank of India vide their Sanction Letter dated 15th April, 2023.

Directors Comments: Non-filing was caused due to late receipt of relevant charge modification documents beyond the prescribed period of 120 days.

Annual Secretarial Compliance Report

The Annual Secretarial Compliance Report for the Financial Year 2023-24 issued for all applicable compliances as per SEBI Regulations and Circulars/Guidelines issued thereunder by Ms. Shreya Shah has been submitted to the Stock Exchanges and is annexed and marked as '**Annexure II**' to this Report.

d) Internal Auditor & their reports

Pursuant to the provisions of Section 138 of the Act read with the Companies (Accounts) Rules, 2014, the Company has appointed M/s. Pares Kapasi & Associates, Chartered Accountants as the Internal Auditors of the Company.

The Internal Audit reports are reviewed by the Audit Committee on a periodic basis.

e) Reporting of fraud by Auditors

During the FY under review, the Auditors of the Company have not identified or reported any fraud as specified under Section 143(12) of the Act to the Audit Committee.

19. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls system, commensurate with the size, scale and complexity of its operation. The scope and authority of the Internal Audit function is well defined. The Internal Auditor reports to the Chairman of the Audit Committee. Based on the report of internal audit, management undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

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. PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS

Pursuant to Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, disclosures on particulars relating to investments as on 31st March 2024 are given in the Notes to the Financial Statements. There are no loans given guarantees issued, or securities provided by your Company in terms of Section 186 of the Act, read with the Rules issued thereunder.

21. PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

All transactions entered with related parties during the FY were in the ordinary course of business and on 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 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.

22. SHARE CAPITAL:**Allotment of Equity warrants on preferential basis**

During the FY under review, the Company allotted 27,00,000 warrants fully convertible into equivalent number of Equity Shares of the Company on 4th April, 2023, to Promoters, Promoter group and Persons belonging to Non- Promoter public category, on preferential basis.

Buy Back of Securities/ Sweat Equity/Employees Stock Option Plan

During the FY under review, the Company has neither issued any Sweat Equity Shares or Bonus shares, nor has it bought back any of its securities, nor has it provided any stock option scheme to the employees.

23. 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 and marked as "Annexure-III".

24. PARTICULARS OF EMPLOYEES:

Disclosures pertaining to remuneration and other details as 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 are forming part of the Directors' Report for the year ended 31st March, 2024 and are attached to this Report and marked as "Annexure IV".

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, 2014, there are no employees drawing remuneration in excess of the limits set out in the said rules.

25. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's premises through various practices and always endeavors to provide an environment that is free from discrimination. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological. The Company also ensures all allegations of sexual harassment are investigated and dealt with effectively and appropriately.

Your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year ended 31st March, 2024, the Company has not received any complaints of sexual harassment.

25. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC, 2016) DURING THE YEAR ALONG WITH STATUS AT THE END OF THE FINANCIAL YEAR

The Company has not made any application nor any proceeding is pending against the company under IBC, 2016.

26. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS ALONG WITH REASONS THEREOF

Since the Company has not entered into any One Time Settlement with Banks or Financial Institutions, furnishing details in this regard, is not applicable.

27. 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.

28. STATUTORY COMPLIANCE

The Company has complied with all the statutory requirements. A declaration regarding compliance with the provisions of the various statutes is also made by the Managing Director. The Company ensures compliance with the Act, Listing Regulations and various statutory authorities on a quarterly basis in the Board Meeting.

Compliance with Secretarial Standards

During the year under review, the Company has complied with all the applicable mandatory Secretarial Standards.

29. APPRECIATION & ACKNOWLEDGEMENTS

The Board of Directors would like to express their sincere appreciation for the commitment, dedication and hard work done by the employees of the Company and the positive co-operation extended by Banks, Government Authorities, Customers and various other stakeholders. The Board also wishes to place on record its deep gratitude towards the shareholders for their continued support and confidence.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 30th May, 2024

Yuvraj Malhotra
Chairman & Managing Director
DIN: 00225156

ANNEXURE I**Form No. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[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
Mumbai**

I have conducted the secretarial audit of the compliance of applicable statutory provisions 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, 2024. 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 my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024, 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 for the financial year ended on 31st March, 2024, 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) 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;
 - (c) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("Listing Regulations"); and
 - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
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 (Share Based Employee Benefits) Regulations, 2014;
 - (ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (iv) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
 - (v) 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 Foreign Direct Investment, Overseas Direct Investments, External Commercial Borrowings 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 below:
 - (i) Legal Metrology Act, 2009;
 - (ii) Water (Prevention & Control of Pollution) Act 1974 and rules thereunder;
 - (iii) Air (Prevention & Control of Pollution) Act 1981 and rules thereunder; and
 - (iv) Hazardous and other Wastes (Management & Transboundary Movement), Rules, 2016.
5. I have also examined compliance with the applicable clauses of the following:
 - (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and
 - (ii) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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:

- A. Delayed filing of following e-Forms after payment of additional fees:
 - (a) e-Form ZNCA_IEPF5_VPR_PRD (Online Verification Report) vide SRN F60555497 on 18th April, 2023 post verification of e-Form IEPF-5 filed, in accordance with Rule 7(3) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016;
 - (b) e-Form CRA-4 vide SRN F64230287 dated 12th September, 2023 for registering Cost Audit Report with the Central Government, in accordance with Section 148(6) of the Companies Act, 2013 read with Rule 6(6) of the Companies (Cost Records and Audit) Rules, 2014; and
 - (c) e-Form CHG-1 vide SRN AA6197702 dated 14th December, 2023 for registering modification of Charge ID -10021558 for availing credit facilities from the State Bank of India.
- B. Non-filing of e-Form CHG-1 for registering modification of Charge ID -10021558 for availing credit facilities from the State Bank of India vide their Sanction Letter dated 15th April, 2023.

I further report that compliances of finance and tax laws and maintenance of financial records and books of accounts have 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 a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Agenda and detailed notes on agenda were also sent to all the directors of the Company at least seven days in advance, except where consent of directors was received for circulation of the Agenda and notes on Agenda at a shorter notice, 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. All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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, no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above have taken place except-

1. Re-appointment of Mr. Yuvraj Malhotra as Chairman & Managing Director of the Company for a further period of three years was approved at the 18th Annual General Meeting of the Company held on 25th August, 2023; and
2. Appointment of Mr. Vivek Sharma and Mr. Priyam Chaturvedi as Non-Executive Non-Independent Directors of the Company was approved at the 18th Annual General Meeting of the Company held on 25th August, 2023.

Sd/-

SHREYA SHAH

Practising Company Secretary

Mem No. A39409/CoP: 15859

UDIN: A039409F000505446

Peer Review Certificate No.: 1696/2022

Date: 30th May, 2024

Place: Mumbai

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

ANNEXURE- A

**The Members,
HILTON METAL FORGING LIMITED
Mumbai**

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. My responsibility is to express an opinion on these secretarial records based on my 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.

Sd/-

SHREYA SHAH

Practising Company Secretary

Mem No. A39409/CoP: 15859

UDIN: A039409F000505446

Peer Review Certificate No.: 1696/2022

Date: 30th May, 2024

Place: Mumbai

Annexure-II
Secretarial Compliance Report
of
HILTON METAL FORGING LIMITED
(CIN: L28900MH2005PLC154986)
for the year ended 31st March, 2024

[Pursuant to Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019 for the purpose of compliance with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Hilton Metal Forging Limited** (hereinafter referred as 'the listed entity'), having its Registered Office at Unit B 510, Western Edge II Village, Nr. W.E. Highway, Magathane, Borivali (East), Mumbai - 400066. Secretarial Review was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and to provide my observations thereon.

Based on my verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, I hereby report that the listed entity has, during the review period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter.

I, **Shreya Shah** have examined:

- (a) the documents and records made available to me, and explanation provided by Hilton Metal Forging Limited ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to BSE Ltd. and National Stock Exchange of India Ltd.,
- (c) website of the listed entity, and
- (d) any other document/filing, as may be relevant, which has been relied upon to make this report,

for the financial year ended 31st March, 2024 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The following Regulations prescribed under the SEBI Act, whose provisions and the circulars/ guidelines issued thereunder, have been examined:

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations, 2015");
- (b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations, 2015");
- (d) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and
- (e) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations, 2018");

There were no actions/ events in pursuance of following Regulations prescribed under SEBI Act, requiring compliance thereof by the Company during the year ended 31st March, 2024 ("Review Period") under review:

- (a) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (b) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- (c) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (d) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; and
- (e) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

and based on the above examination, I hereby report that, during the period under review:

- I. a) **The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:**

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response
NIL									

- (b) **The listed entity has taken the following actions to comply with the observations made in previous reports:** Not Applicable

- II. **Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:**

There has been no resignation of Statutory Auditor during the Review period.

- III. **I hereby report that, during the review period the compliance status of the listed entity is appended as below:**

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
1	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and are mandatorily applicable.	Yes	
2	Adoption and timely updation of the Policies: • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities	Yes	
	• All the policies are in conformity with SEBI Regulations and have been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI	Yes	

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS
3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> The Listed entity is maintaining a functional website 	Yes	
	<ul style="list-style-type: none"> Timely dissemination of the documents/ information under a separate section on the website 	Yes	
	<ul style="list-style-type: none"> Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website 	Yes	
4.	Disqualification of Director: None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	
5.	Details related to Subsidiaries of listed entities have been examined w.r.t.: (a) Identification of material subsidiary companies	NA	The Listed Entity does not have any subsidiary during the Review period.
	(b) Requirements with respect to disclosure of material as well as other subsidiaries	NA	
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees during the financial year as prescribed in SEBI Regulations	Yes	
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions; or	Yes	No Related Party transactions were undertaken without prior approval of the Audit Committee
	(b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee, in case no prior approval has been obtained.	NA	
9.	Disclosure of events or information The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	
11.	Actions taken by SEBI or Stock Exchange(s), if any: No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	NA	As confirmed by the Management, no Actions has been taken against the listed entity/ its promoters/ directors either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder
12.	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	NA	No additional non-compliance has been observed for any SEBI regulation/circular/guidance note etc.

Assumptions & Limitation of Scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. My responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. I have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Sd/-
Shreya Shah
Practicing Company Secretary
ACS No.: 39409/CoP No.: 15859
UDIN: A039409F000474569
Peer Review Certificate no.: 1696/2022

Date: 28th May, 2024

Place: Mumbai

ANNEXURE-III**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 include:

1. Prevention of infiltration of air by using doors and air curtains
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. By improving burner design, Combustion Control and instrumentation.
8. Match the load to the furnace capacity
9. Recover heat from incinerator off-gas.
10. Uses of synchronized motors to improve power factor
11. Awareness and training programs for employees

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

In conclusion, up-gradation, modernization, and the right utilization of technology are necessary to realize the full potential of energy conservation in industry layout design. Even small changes in industrial design layouts have a massive impact on yearly energy consumption.

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

Energy conservation provides adaptability, dynamism, and emergence to create and develop resilient and flourishing workplace for the employee engagement. Planning industry layout design conserves energy which reduces the potential environmental damage from emissions and outflows. It has an impact on efficiency in the manufacturing industry and also a social impact of saving energy for the future generation. It also increases financial capital, environmental value, security, and employee comfort..

B. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION:**(i) Efforts made towards technology absorption, adaption and innovation:**

1. Product Improvement.
2. Cost reduction.
3. Product Development.
4. Import substitution.
5. Product life improvement.

(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) Technology was imported in the last three years

The Company has not imported any technology and hence not applicable. The Company has not taken any technical knowhow from anyone and hence not applicable

(iv) Expenditure incurred on Research and Development:

The Company has been continuously putting effort into developing 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 EARNINGS AND OUTGO:

Foreign Exchange Earning	(FOB) Rs. 553.49 Lacs
Foreign Exchange Outgo	For expenses Rs. 3.64 Lacs

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 30th May, 2024

Yuvraj Malhotra
Chairman & Managing Director
DIN: 00225156

ANNEXURE-IV

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 2023-24, 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 2023-24 (In Rs.)	% increase in Remuneration in the financial year 2023-24	Ratio of the remuneration of each director to the median remuneration of the employees
1	Mr. Yuvraj Hiralal Malhotra (Chairman and Managing Director)	NIL	NIL	-
2	*Mr. Sanjay Suresh Jain (Independent Director)	NIL	NIL	-
3	**Mr. Sukesh Kumar Joshi (Independent Director)	NIL	NIL	-
4	Mr. Sandeep Shah (Independent Director)	50,000 (Sitting Fees)	NA	NA
5	Mr. Prithivish Mundra (Independent Director)	NIL	NIL	-
6	Ms. Nikita Moradia (Independent Director)	NIL	NIL	-
7	@Mr. Vivek Sharma (Non-executive, Non-Independent Director)	NIL	NIL	-
8	@Mr. Priyam Chaturvedi (Non-executive, Non-Independent Director)	NIL	NIL	-
9	#Mr. Siddharth Jain (Chief Financial Officer)	2,00,000	NA	NA
10	^Mr. Mohak Malhotra (Chief Financial Officer)	12,00,000	NA	NA
11	Ms. Richa Shah (Company Secretary)	4,20,000	16.67%	NA

*Resigned w.e.f. 27th July, 2023

**Retired w.e.f. 25th August, 2023

@Appointed w.e.f. 13th July, 2023

Resigned w.e.f. close of business hours of 30th June, 2023. Since his remuneration for FY 2023-24 is only for the half year, percentage increase in remuneration over previous year as well as the ratio of his remuneration to median remuneration is not comparable and hence not stated.

^ Appointed w.e.f. w.e.f. 13th July, 2023. Since his remuneration for FY 2023-24 is only for the half year, percentage increase in remuneration over previous year as well as the ratio of his remuneration to median remuneration is not comparable and hence not stated.

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

The % increase in median remuneration of employee is 0.5%

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

60 employees on the rolls of Company as on 31st March, 2024.

vii) 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. 2023-24	Average percentile increase in managerial remuneration in F.Y. 2023-24	Justification
0.50%	37.13%	The same is due to the appointment of new CFO having adequate experience in the finance sector field and increase in salary for employees as an incentive towards better performance in the manufacturing sector.

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 31st March, 2024 is as per Remuneration policy of the Company.

For and on behalf of the Board of Directors

Place: Mumbai

Dated: 30th May, 2024

Yuvraj Malhotra
Chairman & Managing Director
DIN:00225156

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

The Indian metal forging industry majorly caters to the high demand for forged products from the automotive sector. However, the recent slowdown in this sector has led to shift in focus of leading metal forging players to expanding their product portfolio for other non-automotive industries where the demand for forged products is increasing. These non-automotive industries include agriculture, power, aerospace and defense. The increasing investment and expansion of these sectors is positively influencing the market. The aerospace industry require various high-quality and lightweight metal forged parts. Therefore, the increasing demand for critical forged products in the aerospace & defense industry is likely to drive market growth.

India has the 4th largest railway system in the world, behind only the US, Russia and China.

The Indian Railways consists of a total track length of 126,366 km with 7,335 stations. 5100 km of track length was added during 2023-24, which is an average daily track laying of 14 km per day. The railways operate 13,523 passenger trains and 9,146 freight trains daily. The Indian Railways has loaded over 1500 MT during 2023-24.

Some of the other relevant data includes:

- Vision 2024 has been envisaged to achieve targets of 2024 MT freight loading by 2024.
- Mumbai-Ahmedabad high-speed rail project sanctioned at a total cost of \$14.27 Bn.
- As of March 2024, 62,119 km length of Broad-Gauge network has been electrified. With this, Indian Railways is rapidly progressing towards its target of 100% electrification and becoming the largest green railway network in the world. Indian Railways (IR) is rapidly progressing to accomplish Mission.
- 38,650 Km length of railway electrification has been achieved since 2014 till Oct, 2023.
- 100% Electrification and become the largest green railway network in the world. 6,577 RKMs has been achieved in IR history during calendar year 2023.
- Indian Railways has commissioned Wi-Fi at 6,108 railway stations across the country.
- To achieve its green mission, Indian Railways has solarized more than 1000 stations.
- Till Oct'23, Automatic Block Signaling (ABS) has been provided at 4,111 route kms (Rkm).
- Kavach has so far been deployed on 1465 Route km (Rkm) and 144 locomotives (including Electric Multiple Unit rakes) on South Central Railway in Telangana (684 Rkm), Andhra Pradesh (66 Rkm), Karnataka (117 Rkm) and Maharashtra (598 Rkm) States.
- 400 new generation Vande Bharat Trains to be manufactured during the next three years.
- 100 PM Gati Shakti Cargo terminals for multimodal logistics to be developed during the next three years.
- During 2014-22, 1544 km (377 km new line, 972 km Gauge conversion and 195 km Doubling) sections, falling fully/partly in Northeastern Region, have been commissioned at an average rate of 193 km per year, which is 190% more than average annual commissioning achieved during 2009-14 (66.6 km per year).

Developed in the past, forging is a process of metal forming that has evolved through the integration of innovative techniques. In the process, a metal is deformed with the use of compressive forces such as hammering, rolling, and pressing in controlled conditions for giving the material a desired geometric change. The process produces high-quality metal parts, consisting of alloy steel, stainless steel, and aluminum alloys, with enhanced material strength. The forging process offers a wide range of forging components having different materials, shapes, finishes, and sizes.

In India, forging OEMs offer closed-die forged solutions that are used in the automotive industry. India's market share in automotive forging is higher than other industries such as industrial machinery, railway, aerospace and defense, and others. The rising demand for the product is due to its application in construction, mechanical equipment, oil & gas, automotive, and aerospace, driving the market growth during the forecast period.

Increasing Export of Forging Products to Drive Market Growth:

Globally, India is considered one of the major forging production hubs. The increase in domestic manufacturing capacity and competitiveness is helping India's exports grow rapidly. According to the Engineering Export Promotion Council of India (EEPC), the forging sector is one of the key sectors for export growth. In addition, government initiatives such as 'Make in India' has boosted the manufacturing industry in the region by creating a positive business environment. The key players operating in the Indian metal forging industry are bagging export orders from various economies, which is likely to drive the market growth in India.

Based on material, the India metal forging market is classified into carbon steel, alloy steel, stainless steel, aluminum, magnesium, titanium, and others.

The carbon steel segment holds the largest India metal forging market share owing to its machinability, good strength, and other properties. Carbon steel is mainly used as raw material in forging manufacturing. It is preferred over materials in the automotive industry for manufacturing control arms, rocker arms, and crankshafts. It provides cost-effectiveness for structural application, balancing strength and ductility, malleability, high strength, toughness, temperature resistance, good machinability, wear resistance, and corrosion resistance in a mild atmosphere. These benefits of carbon steel have created tremendous demand in the automotive sector.

The alloy steel segment holds the second-largest market share. The segmental growth is attributed to its high strength and durability. These properties make it suitable for applications where robustness and resistance to wear are crucial, such as in automotive, aerospace, and industrial equipment

The India metal forging market size was valued at USD 4.43 billion in 2022. The market is expected to grow from USD 5.08 billion in 2023 to USD 9.75 billion by 2030, exhibiting a CAGR of 9.8% during the forecast period.

Steel prices and demand supply gap: The forging industry in India has been showing a growth trend since last one year. However, there seems to be a huge demand supply gap, which exists, which is not being met by the steel manufacturers in India. Some of the possible reasons for the demand supply gap include - major players reeling under high debts, lower coal production by Coal India, as compared to the demand and gap in the quality standards to meet the higher level of demand in the automobile sector and significant rise in prices of graphite electrodes, an immensely vital raw material for steel manufacturers.

The forging industry says it is also concerned over the continuous rise of steel prices in India and is living under constant fear that if this trend continues, then it will defeat the 'Make in India' project and China which as of now is the biggest steel exporter, will get a competitive edge in the world steel market. The steel prices have deflated by around 46.86 percent in the last one year. The price of steel has gone down to Rs 28,256 per tonne, compared to Rs. 47,740 per tonne in November 2019-20. Even though the global steel prices also witnessed immense the quantum influences was not as high.

High electricity tariff rates in Maharashtra: On one hand manufacturing industries across India are extensively promoting the government's Make in India initiative while on the other hand the manufacturing industries in Maharashtra are grappling with serious concerns related to high electricity tariff rates. According to the figures released by Maha discom last year, the state has lost about 500 consumers, which includes some the big names. Though, last year, the Maharashtra government reduced the power tariff for industries, it has still not made the state a competitive destination as compared to neighbouring states like Gujarat, Karnataka, Andhra Pradesh and others which offer electricity at cheaper rates.

Modernisation: Technology and automation levels in India (barring a few bigger forging companies) is lower as compared to the European, Japanese and American counterparts and companies from China, Korea and Taiwan. According to a recent survey of the Indian forging industry, about 70 percent of the forging units in India are MSMEs who need to upgrade their technologies. For this, the industry needs huge government support in terms of further interest subvention and Technology Upgradation Fund.

Outlook

The Indian forging industry has returned to pre-Covid production level and growth prospects are bright. This will boost the capacity significantly over the next three years, supported by China+1 strategy amid the threat of technological disruption by way of alternative fuels in the automotive segment. After a challenging phase during Covid and some labour issues later, the Indian forging industry is back supported by steady global and domestic demand. Currently, the annual production level is at about 2.2 million tonnes, including all categories. About 35 per cent of this production is exported to various geographies

Indian forging companies have also undertaken technological upgradation in order to grab the emerging opportunities. About 10 years ago, forging firms were doing only forging and supplying the same. With investments in forward integration, they have moved up to machined parts, finished products and to sub-assemblies.

With the favourable growth outlook both in India and overseas, the industry's capacity is expected to increase to 3.5-4 million tonnes in the next three years.

Many opportunities are emerging from non-automotive segments such as railways, defence and aerospace and power transmission segments. Scores of Indian companies have been supplying to these sectors. Also, with the looming threat of alternative fuel technologies such as electric battery, forging firms, particularly small ones, are looking to expand their business in non-auto segments.

Indian Railways recorded monthly freight loading of 135.46 MT in Jun 2024, an improvement of 10.07% over last year's freight loading for the same period.

Following the Mantra, "Hungry For Cargo", Indian Railways has made sustained efforts to improve the ease of doing business as well as improve the service delivery at competitive prices. This has resulted in new traffic coming to railways from both conventional and non-conventional commodity streams. The customer centric approach and work of business development units backed up by agile policy making has helped the Railways breach the 1400 MT Freight Loading mark for 1st time ever in FY 2021-22. Indian Railways has registered highest ever Freight Loading in any Financial year with 1512 MT freight loading in FY 2022-23.

- The railway sector in India aims to contribute about 1.5% to the country's GDP by building infrastructure to support 45% of the modal freight share of the economy.
- Two Dedicated Freight Corridors (DFC), one on the Western route (Jawaharlal Nehru Port to Dadri) and another on the Eastern route (Ludhiana to Dankuni), have been fast-tracked.
- Railways have earned Rs. 14,798.11 cr in Jun 2024 against Rs. 13,316.81 cr over the last year from Freight loading.
- New Line/ Doubling/ Gauge Conversion: 5,243 km of conversion have been achieved during 2022-23 as against 2,909 km in 2021-22. The average daily track laying in FY23 comes out to be 14.4 km per day, which is the highest ever commissioning.
- 785 electric locomotives produced in this FY 2022-23 up to 31st January 2023.
- As on 31st January, 2024, 82 Vande Bharat train services are operating across the Indian Railways.
- Currently, a total of 2,359 trips of Kisan Rail trains have been operated on 167 routes, wherein nearly 7.9 lakh tonnes of consignments have been transported.
- 6,521 (98.8% of total stations) stations have been equipped with Electrical/Electronic Signalling Interlocking System up to 31.12.2023.
- During 2022-23, 30 Freight Terminals were created as compared to 21 Freight Terminals in 2021-22.
- Under the Union Budget 2023, Indian Railways has been allocated a highest ever capital outlay of \$29 Bn.
- The average Freight Train speed has increased to 44.36 kmph during 2021-22 compared to 42.97 kmph during 2020-21 (+3.23 %) (up to 31.12. 2021). National Rail Plan aims to increase share of freight traffic from current 27% to 45% by 2030.

The Board of Directors are proud to announce that the company has successfully developed and supplied railway wheels to the Indian Railways and that the company is the first Indian MSME company to have produced Indigenous Forged Railway Wheels. The company till date has supplied 2500 Railway Wheels thereby making it eligible to participate in Global tenders. The company has started Research and Development in the Railway Wheel Set Assembly and will disseminate details through a press release post approval from the Third party agencies.

However during operational period HMFL has taken measures to:

Tooling--Increase die life by at least 1.5 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 considerable amount.

Material utilization--Achieve a minimum overall reduction in raw material consumption of 10 to 15%. 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.

Segment-wise or Product wise Performance

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, Flanges and Forged Fittings for oil & gas industry, Petrochemicals, Railways, Automobiles and refineries industry.

Opportunities and Challenges

- There are 42 Indian Railway workshops in the country. Each Railway workshop does POH (Periodic Overhauling) of around 2,400 wagons/coaches annually. FY'24 Indian Railways Released a POH schedule of 90,000 coaches/ wagons. Indian Railways releases schedule for POH at the beginning of each Financial year.
- Each coach/wagon has to mandatorily undergo POH once every 4.5 years. This generates demand for around 1,60,000 wagon wheels every year in the replacement market.
- HMFL has a big opportunity in Wagon Wheelsets supply as Railway wheel factory, Bangalore supplies 90,000 Wagon Wheelsets while demand is around 1,76,000 Wagon Wheelsets in FY25.
- HMFL has Manufactured and Supplied 5 types of Forged Wagon Wheels. Initial set of Forged Wagon Wheels successfully passed the fracture and technical compatibility test conducted by RITES and on-field trial of 3-6 months post Wagon Wheel fitting by Indian Railways.
- Replacement market is dependent mainly on Imports. Hilton Metal Forging Ltd. has clear edge in replacement market.

Risks and Concerns:

- Modest Scale of Operations

The company has registered growth of 31.92% in its total income in FY24 over FY23 wherein the total income stood at Rs. 138.42 crore vis-à-vis Rs. 104.93 crore in FY23, which thereby reflects the company's growing scale of operations. The improvement in ROI in FY24 can be attributed to better demand within India. However, despite the improvement the scale of operations remained modest.

- Working Capital-Intensive Nature of Operation

The operating cycle remained stretched; however, improved from 267 days in FY23 to 239 days in FY24 mainly on account of improvement in inventory holding period. Inventory period has improved from 242 days in FY23 to 213 days in FY24. HMFL's inventory cycle remained elongated as flanges manufacturing is very long process driven activity along with various approvals to be granted for the dispatch of export orders. HMFL caters to different industries and manufactures products of various size/grades. Thus, the company has to maintain different sizes/grades of material to meet the manufacturing requirement towards respective products resulting in high inventory. The collection period also increased to 88 days in FY24 vis à-vis 71 days in FY23 owing to liberal credit policy of the company. HMFL also procures raw material on cash basis. Owing to all of the above, the average utilization of the working capital limits stood at 96%. Going forward, improvement in the operating cycle is expected owing to higher execution in domestic business and the same remains critical from credit perspective.

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 the 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.

Financial Performance with respect to operational performance

(Rs. In Lakhs)

Particulars	Year Ended March 2024	Year Ended March 2023
Total revenue	13988.80	10,539.30
Less: Operating Expenses & Provision	12334.31	9,063.64
Profit before Interest, Depreciation & Taxes	1654.50	1,475.66
Less: Depreciation	219.60	236.36
Less: Interest & finance Charges	648.37	535.85
Less: Exceptional Items	-	-
Profit before Tax	786.52	703.45
Less: Provision for Taxation	117.94	117.47
Profit After Tax	668.58	585.97
Other Comprehensive Income	0	0
Total Comprehensive Income for the Year	0	0
Balance Brought forward	-85.25	-671.22
Balance Available for Appropriation	583.33	-85.25
Surplus retained in Profit & Loss account	583.33	-85.25

During the year under review, the total revenue of the company was Rs 13988.80 lakhs as compared to Rs10539.30 lakhs during the previous year and the PAT is Rs. 668.58 lakhs as compared to last year's profit of Rs. 585.97 lakhs.

Significant Changes in Key Financial Ratios:

Ratios	For FY 23-24	For FY 22-23
Debtors Turnover	4.29	2.99
Inventory Turnover	1.93	2.05
Interest Coverage Ratio	2.21	2.31
Current Ratio	1.90	1.88
Debt Equity Ratio	0.53	0.58
Operating Profit Margin (%)	11.98	14.08
Net Profit Margin (%)	4.84	5.59
Net Worth (%)	99.52	89.12

Explanations for variation of 25% or more in Key Financial Ratios:

Debtors Turnover: The Debtors turnover ratio is increased to 4.29 from 2.99 in previous year. This is because of the efficient recovery of sales proceeds.

Human Resource Management and Industrial Relations:

The Company believes that human resources are 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.

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 to address issues pertaining to female employees and to provide a safe environment for them.

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

Place: Mumbai

Date: 30th May, 2024

Yuvraj Malhotra
Chairman & Managing Director
DIN: 00225156

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 Company's objectives of enhancing stakeholder's value and its own image. Corporate Governance, as a concept, has gained considerable importance, primarily because of the proposal to enshrine many of the accepted good governance principles in corporate law. The Companies Act, 2013 ('the Act') and the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('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 enhanced 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 the Act and Listing Regulations and in accordance with the highest standards of Corporate Governance in its management, which ensures a judicious mix of Directors.

Details of the Composition of the Board of Directors as on 31st March, 2024 is stated below:

Sr. No	Name	Designation/ Category of Directors	% to total number of Directors
1	Mr. Yuvraj Malhotra	Chairman & Managing Director (Promoter)	16.67
2	⁽¹⁾ Mr. Priyam Chaturvedi	Non-Independent, Non-Executive Director	83.33
3	⁽²⁾ Mr. Vivek Sharma	Non-Independent, Non-Executive Director	
4	Mr. Sandeep Ravindra Shah	Independent, Non-Executive Director	
5	Mr. Prithivish Sushil Mundra	Independent, Non-Executive Director	
6	Ms. Nikita Natwarlal Moradia	Independent, Non-Executive Woman Director	

⁽¹⁾ Mr. Priyam Chaturvedi was appointed as Non-Independent, Non-Executive Director w.e.f. 13th July, 2023

⁽²⁾ Mr. Vivek Sharma was appointed as Non-Independent, Non-Executive Director w.e.f. 13th July, 2023

2.2 Board Meetings, Attendance, and other details:

During the financial year under review, Seven Board Meetings were held on following dates:

4th April, 2023 2nd May, 2023 13th July, 2023 24th July, 2023

7th August, 2023 11th November, 2023 9th February, 2024

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the FY 2023-24 and at the last Annual General Meeting held on 25th August, 2023, name of listed entities in which the Director is a director, and the number of directorships, Committee Memberships/Chairmanships held by them in Indian Public Companies and their shareholding as on 31st March, 2024 in the Company are given herein below: -

Name of Directors	DIN	Designation/ Category of Directors	Attendance Particulars		No. of Directorship in Listed Entity including this Company	Committee position held in Indian Public Companies including this Company		No. of Equity Shares held
			No. of Board Meetings attended /held	A.G.M. held on 25th August, 2023		Chairman	Member	
Mr. Yuvraj Malhotra	00225156	Chairman & Managing Director	7/7	Yes	1	-	2	53,87,559
⁽¹⁾ Mr. Priyam Chaturvedi	00152758	Non-Independent Non-Executive Director	4/4	Yes	1	-	1	-
⁽²⁾ Mr. Vivek Sharma	08153689	Non-Independent Non-Executive Director	4/4	Yes	1	-	-	-
Mr. Prithivish Mundra	08529151	Non-Executive Independent Director	7/7	Yes	1	1	1	-
Ms. Nikita Moradia	08530305	Non-Executive Independent Director	7/7	Yes	1	-	1	-
Mr. Sandeep Ravindra Shah	06402659	Non-Executive Independent Director	7/7	Yes	3	3	3	-
⁽³⁾ Mr. Sanjay Jain	00152758	Non-Executive Independent Director	4/4	NA	-	-	-	-
⁽⁴⁾ Mr. Sukesh Kumar Joshi	08153689	Non-Executive Independent Director	3/5	Yes	-	-	-	-

⁽¹⁾ appointed as Non-Independent, Non-Executive Director w.e.f. 13th July, 2023

⁽²⁾ appointed as Non-Independent, Non-Executive Director w.e.f. 13th July, 2023

⁽³⁾ resigned from the post of Non-Executive Independent Director w.e.f. close of business hours of 27th July, 2023

⁽⁴⁾ ceased to be Non-Executive Independent Director w.e.f. close of business hours of 25th August, 2023 on account of completion of his second term as an Independent Director

Notes:

- Excludes directorships in Private Limited Companies, Foreign Companies and Section 8 Companies.
- 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. The number of directorships, committee membership(s) of all Directors is within the respective limits prescribed under the Companies Act, 2013 and Listing Regulations.
- None of the Directors had any relationship inter-se.

Directorships in Listed Entities as on 31st March 2024

Sr No.	Name of Director	Name of Listed Entity	Category of Directorship
1	Sandeep Shah	KBC Global Limited Bajaj Healthcare Limited	Independent Director Independent Director

2.3. Independent Directors

The Board of Directors confirm that in its opinion, the Independent Directors fulfill the terms and conditions specified in the Act and Listing Regulations in respect of their independence from the Management.

As stipulated by the Code of Independent Directors pursuant to the Companies Act, 2013 and the SEBI (Listing Regulations), a separate meeting of the Independent Directors of the Company was held on 9th February, 2024 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 perform and discharge their duties effectively and reasonably.

2.4. Directors' Familiarization programme:

The Familiarization programme enable the Independent Directors to understand the Company's business and operations in depth and to familiarize them with the process and functionaries of the Company and to assist them in performing their role as Independent Directors of the Company. The details of familiarization programme of the independent Directors are available on the website of the Company: <http://www.hiltonmetal.com/corporate-governance/>

2.5. Matrix highlighting core skills/expertise/competencies of the Board of Directors:

The Board of Directors has identified the following skills required for the Company and the availability of such skills with the Board:

Sr No.	Area of Expertise	Description	Name of Directors who possess such skills/expertise/ competence
1	Business & Industry	Domain Knowledge in Business and understanding of business environment, optimising the development in the industry for improving Company's business	(i) Mr. Yuvraj Malhotra (ii) Mr. Priyam Chaturvedi (iii) Mr. Vivek Sharma
2	Financial Expertise	Comprehensive understanding of financial accounting, capital allocation, resource utilization reporting and controls and analysis	(i) Mr. Prithivish Mundra (ii) Ms. Nikita Moradia
3	Sales, Marketing & Brand building	Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance enterprise reputation	(i) Mr. Yuvraj Malhotra (ii) Mr. Vivek Sharma
4	Governance & Compliance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining Board and management accountability, building long term effective stakeholder engagements, and driving corporate ethics and values	(i) Mr. Yuvraj Malhotra (ii) Mr. Sandeep Shah

3) COMMITTEES OF THE BOARD:

The Committees of the Board are constituted as per the Act and Listing Regulations.

3.1 Audit Committee:

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

3.1.1 Brief description of Terms of reference

The terms of reference of Audit Committee broadly includes-

- a. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - i. Any changes in accounting policies and practices.
 - ii. Major accounting entries based on exercise of judgment by management.
 - iii. Qualifications in draft audit report, if any.
 - iv. The going concern assumption.
 - v. Compliance with accounting standards.
 - vi. Compliance with Stock Exchange and legal requirements concerning financial statements.
 - vii. Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of Company at large.
- d. Reviewing with the management, External and Internal auditors, the adequacy of Internal Control System.
- e. Reviewing the findings of any internal investigations in the matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- f. Discussion with external auditors before the audit commences, nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- g. Reviewing the Company's financial and risk management policies.
- h. Reviewing the mechanism to track insider trading
- i. To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of nonpayment of declared dividends) and creditors.
- j. To approve the appointment of the Internal auditor after assessing the qualifications, experience, background, etc. of the candidate.

3.1.2 Composition and Attendance at the Meeting

The Audit Committee met 5 times during the year on 2nd May, 2023, 13th July, 2023, 7th August, 2023, 11th November, 2023 and 9th February, 2024. The previous AGM of the Company was held on 25th August, 2023 and was attended by Mr. Prithivish Mundra, Chairman of the Audit Committee.

The details on composition, names of the members, category of Directors and attendance by the members in the meetings held during the FY 2023-24 are as follows: -

Sr. No.	Names of Members	Designation	Category of Director	No. of Meetings Attended
1	Mr. Prithivish Mundra	Chairman	Independent Non-executive	5/5
2	Mr. Yuvraj Malhotra	Member	Executive	5/5
3	Ms. Nikita Moradia	Member	Independent Non-executive	5/5
4.	^(c) Mr. Sanjay Jain	Member	Independent Non-executive	2/2

^(c) ceased to be the Member of the Committee w.e.f. close of business hours of 13th July, 2023

Internal Audit:

M/s. Paresh Kapasi & Associates, Internal Auditors of the Company have carried out the Internal Audit for FY 2023-24. The reports and findings of the Internal Audit are reviewed quarterly by the Audit Committee.

3.2 Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of Listing Regulations read with Section 178 of the Act.

3.2.1 Brief description on Terms of reference

The terms of reference of Nomination and Remuneration Committee broadly includes:

- To determine the remuneration package for any Executive Directors as well as remuneration payable to the non-executive Directors from year to year.
- To help in determining the appropriate size, diversity and composition of the Board;
- To recommend to the Board appointment/reappointment and removal of Directors/KMPs;
- To frame criteria for determining qualifications, positive attributes and independence of Directors.
- To create an evaluation framework for Non-executive & Independent Directors and the Executive Board;
- Delegation of any of its powers to any Member of the Committee or the Compliance Officer

3.2.3 Composition and Attendance at the Meeting

The Committee met 1 time during the year on 13th July, 2023. The previous AGM of the Company was held on 25th August, 2023 and was attended by Mr. Prithivish Mundra, Chairman of the Nomination and Remuneration Committee. The details on composition, names of the members, category of Directors and attendance by the members in the meeting held during the FY 2023-24 are as follows: -

Sr. No.	Names of Members	Designation	Category of Director	No. of Meetings Attended
1	^(a) Mr. Prithivish Mundra	Chairman	Independent Non-executive	NA
2	^(b) Ms. Nikita Moradia	Member	Independent Non-executive	NA
3	Mr. Sandeep Shah	Member	Independent Non-executive	1/1
4	^(c) Mr. Sukesh Kumar Joshi	Chairman	Independent Non-executive	1/1
5	^(d) Mr. Sanjay Jain	Member	Independent Non-executive	1/1

^(a) Inducted as Chairman of the Committee w.e.f. 13th July, 2023

^(b) Inducted as Member of the Committee w.e.f. 13th July, 2023

^(c) ceased to be the Chairman of the Committee w.e.f. close of business hours of 13th July, 2023

^(d) ceased to be the Member of the Committee w.e.f. close of business hours of 13th July, 2023

3.2.4 Remuneration Policy

The Remuneration Policy formulated in accordance with the Companies Act, 2013 and SEBI Listing Regulations and as recommended by Nomination and Remuneration Committee has been accepted by the Board of Directors and the same is also available on the Company's website: <https://www.hiltonmetal.com/corporate-governance/>

3.2.5 Performance evaluation criteria for independent directors

Pursuant to the provisions of the Act and the Listing Regulations, the Committee has laid down the manner in which a formal annual evaluation of the performance of the Directors including independent Directors and its Committees has to be made.

A separate meeting of Independent Directors was also held to review:

- Performance of the Non-Independent Directors and the Board as a whole.
- Performance of the Chairman of the Company taking into account the views of Executive Directors and Non-Executive Directors.

The criteria for performance evaluation of the Board and its Committees includes aspects like structure, composition, effectiveness of processes & meetings and other measures. The criteria for performance evaluation of the individual Directors include aspects like professional conduct, competency, contribution to the Board and Committee Meetings and other measures. In addition, the performance of the Chairman is also evaluated on key aspects of his roles and responsibilities.

3.2.6 Details of Remuneration paid to the Directors

Details of Remuneration paid to the Directors for the year ended 31st March, 2024 are as follows:

Directors	Relationship with other Directors	Remuneration (Rs.)	Sitting Fees (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. Yuvraj Malhotra	None	-	-	-	-
Mr. Sandeep Shah	None	-	50,000	-	50,000
Mr. Prithivish Mundra	None	-	-	-	-
Ms. Nikita Moradia	None	-	-	-	-
*Mr. Sanjay Jain	None	-	-	-	-
**Mr. Sukesh Kumar Joshi	None	-	-	-	-
@Mr. Vivek Sharma	None	-	-	-	-
@Mr. Priyam Chaturvedi	None	-	-	-	-

* Resigned w.e.f. 27th July, 2023

** Retired w.e.f. 25th August, 2023

@ Appointed w.e.f. 13th July, 2023

Notes:

- Sitting fees include payment of fees for attending Board/Committee Meetings. All non-executive directors except Mr. Sandeep Shah waived off the receipt of sitting fees for FY 2023-24.
- The remuneration payments in the Company are made with an aim of rewarding performance, based on review of achievements. The remuneration levels are in consonance with the existing industry practices. Mr. Yuvraj Malhotra voluntarily chose not to receive any remuneration for his services rendered to the Company for FY 2023-24.

- c. No provision of performance-linked variable pay for the FY 2023-24 is available to Managing Director, the Executive Director and the Whole-time Director. There are no provisions for notice period and payment of severance fees. The Company has not granted any stock option to any of its Directors.
- d. Payments to Non-Executive Directors are decided, based on multiple criteria of seniority/experience, number of years on the Board, Board/Committee meetings attended, Director's position on the Company's Board/Committees, other relevant factors and performance of the Company. There are no pecuniary relationship or transactions between the Company and its Non-Executive/Independent Directors for the financial year under review.

3.3 Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulations 20 of Listing Regulations read with Section 178 of the Companies Act.

3.3.1 Brief description on Terms of reference

The terms of reference of Stakeholders' Relationship Committee broadly includes:

- a) Redress Shareholders' and Investors' complaints.
- b) Review all matters connected with the share transfers.
- c) Review status of legal cases involving the investors to which the Company has been made a party.

The Company's Registrar & Share Transfer Agents, M/s Link Intime (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 Committee met once during the year on 13th July, 2023. The previous AGM of the Company was held on 25th August, 2023 and was attended by Mr. Sandeep Shah, Chairman of the Stakeholders' Relationship Committee. The details on composition, names of the members, category of Directors and attendance by the members in the meeting during the FY 2023-24 are as follows:

Sr. No.	Names of Members	Designation	Category of Director	No. of Meetings Attended
1.	Mr. Sandeep Shah	Chairman	Non-Executive, Independent	1/1
2.	Mr. Yuvraj Malhotra	Member	Executive, Non-Independent	1/1
3.	^(a) Mr. Priyam Chaturvedi	Member	Non-Executive, Non-Independent	NA
4.	^(b) Mr. Sukesh Kumar Joshi	Chairman	Non-Executive, Independent	1/1

^(a) Inducted as Member of the Committee w.e.f. 13th July, 2023

^(b) ceased to be the Chairman of the Committee w.e.f. close of business hours of 13th July, 2023

3.3.3 Details in respect of Compliance Officer:

Ms. Richa Shah, Company Secretary acts as a Compliance Officer of the Company.

3.3.4 Details of Investors Complaints received during F.Y. 2023-24 are as follows:

Sr. No.	Nature of Complaints	Whether Received	No. of Complaints Redressed	Pending Complaints as on 31st March, 2024
1.	Non-Receipt of Shares lodged for transfer/transmission	-	-	-
2.	Non- Receipt of Duplicate Share certificate	-	-	-
3.	Non- Receipt of Annual Report	-	-	-
4.	Non-Receipt of Declared Dividends	-	-	-
5.	IEPF related	9	4	5
6.	Others*	18	18	0

**Nature of complaints in the category "Others" includes requests of shareholders for physical copy of Annual Report*

4) GENERAL BODY MEETINGS:
4.1 Annual General Meetings

The details of Annual General Meetings held in last 3 years along with the location and time of the AGMs are as below:

AGM	DATE	TIME	VENUE	DETAILS OF SPECIAL RESOLUTIONS PASSED
18th	25.08.2023	4.00 PM	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	1. Re-appointment of Mr. Yuvraj Malhotra (DIN: 00225156) as Chairman and Managing Director of the Company
17th	13.09.2022	4.00 PM	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	1. Raising of Funds through Issue of Warrants Convertible into Equity Shares on Preferential Basis to the Promoters, Promoter's Group and Persons belonging to Non-Promoters public category for cash consideration
16th	29.09.2021	4.00 PM	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	1. No Special resolution was passed in this meeting.

4.2 Extraordinary General Meeting

During the year under review, no EOGM was held.

4.3 Postal Ballot

During the year under review, no Resolution was passed by the Company through Postal Ballot.

4.4. Whether any special resolution is proposed to be conducted through postal ballot:

As on the date of this report, there is no pending proposal to pass any Special resolution through Postal Ballot. Special resolutions by way of Postal Ballot, if required to be passed in the future, will be decided at the relevant time.

5) MEANS OF COMMUNICATION:

The Annual, Half Yearly and Quarterly Results were submitted to the Stock Exchanges and published in Newspapers in accordance with the SEBI (Listing Regulations). The Company's un-audited Quarterly Results for quarter ended June 2023, September 2023, December 2023, and Audited Financial Statements for the year ended 31st March 2024 were published in Financial Express & Active Times, Mumbai (English edition), and in Mumbai Lakshadeep (Marathi Edition). These results are simultaneously displayed on the website of the Company at <https://www.hiltonmetal.com/quarterly/> and uploaded on the website of National Stock Exchange of India Ltd. and BSE Ltd.

Statutory notices were published in Financial Express, Mumbai (English edition), and in Mumbai Lakshadeep (Marathi Edition).

6) GENERAL SHAREHOLDER INFORMATION**6.1 Company Registration Details:**

CIN: L28900MH2005PLC154986

6.2 Annual General Meeting

Friday, 27th day of September, 2024 at 4.00 P.M. IST through Video Conference ("VC")/Other Audio Visual Means ("OAVM").

6.3 Financial Year

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 2024-25

First quarter	June 30, 2024- on or before August 14, 2024
Second quarter/Half Yearly	September 30, 2024 - on or before November 14, 2024
Third quarter/Nine months	December 31, 2024 - on or before February 14, 2025
Fourth quarter/Annual	March 31, 2025 - on or before May 30, 2025

6.5 Book Closure date

The Register of Members and the Share Transfer Books of the Company shall remain closed from Saturday, 21st September, 2024 to Friday, 27th September 2024 [Both days inclusive]

6.6 Dividend Payment

No dividend is to be declared for the financial year ended 31st March 2024.

6.7 Unclaimed Shares/Dividend

Pursuant to the provisions of Section 124 of the Companies Act, 2013, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including amendments thereof) read with circulars and notifications issued thereunder, 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).

From FY 2015-16, the Company has not declared any dividend and hence there are no unpaid/unclaimed dividends which are required to be transferred to the IEPF.

6.8 Listing on Stock Exchanges
Equity Shares

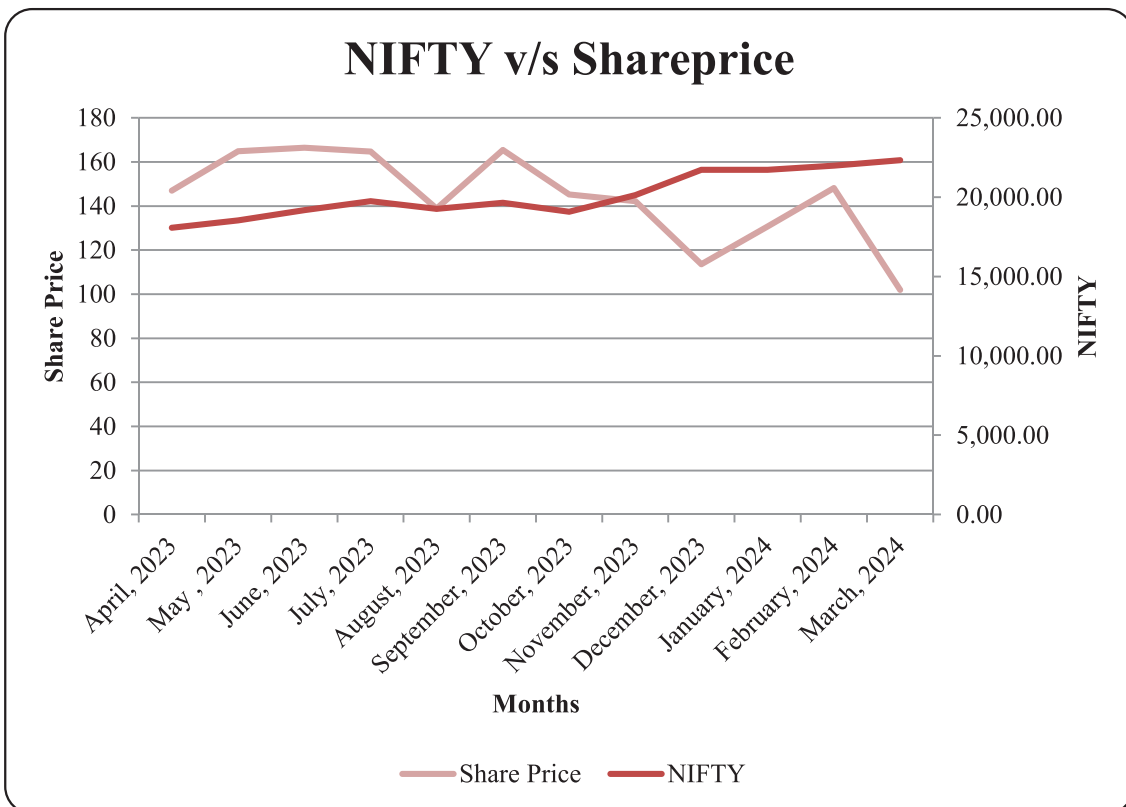
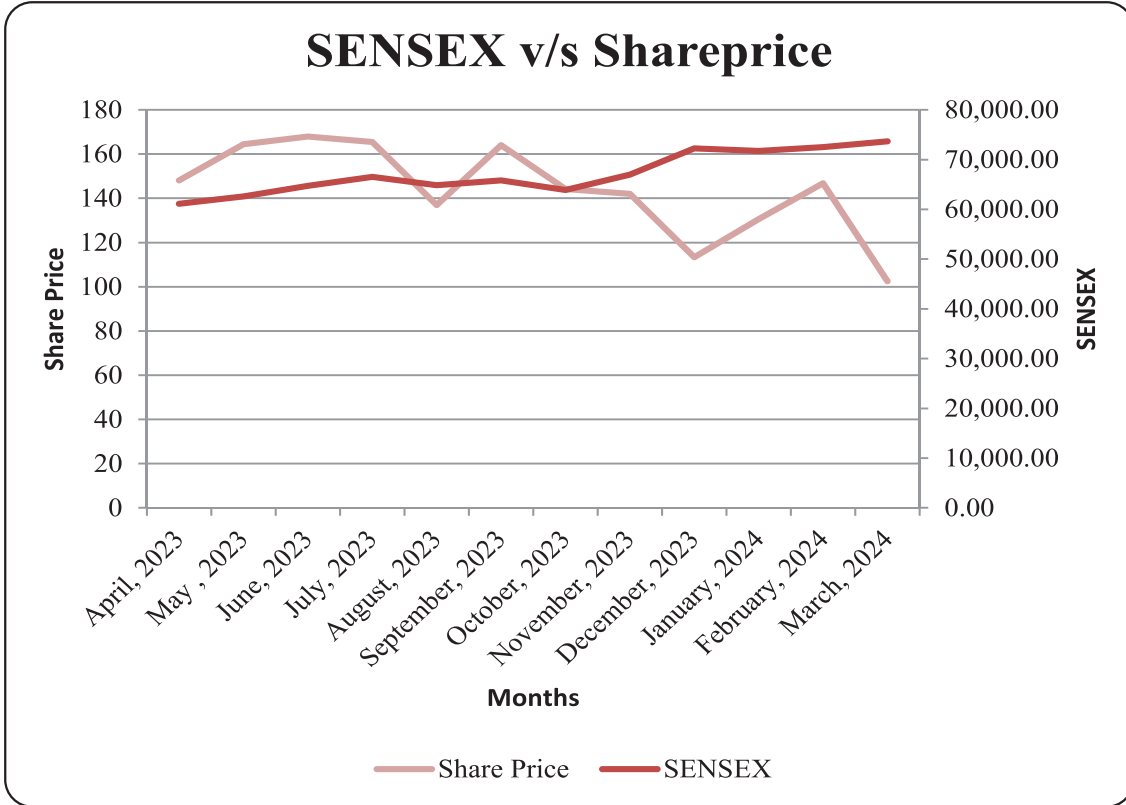
Name of the Stock Exchange	Security code/Symbol	ISIN	Payment of Annual Listing fees for the FY 23-24 (Y/N)
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001	532847	INE788H01017	Y
The National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051	HILTON		Y

6.9 Market Price Data-High/Low during each month of FY 2023-24

Market Price Data Month-wise	Share prices of the Company from April, 2023 to March, 2024			
	BSE Ltd		The National Stock Exchange of India Limited	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
April, 2023	154.00	98.25	151.00	103.15
May, 2023	166.00	137.00	166.00	137.25
June, 2023	173.90	151.25	174.00	152.05
July, 2023	172.50	158.60	171.50	156.00
August, 2023	168.95	133.00	167.00	132.70
September, 2023	169.90	129.75	170.95	130.05
October, 2023	165.10	138.00	165.00	137.05
November, 2023	158.60	138.60	159.00	138.10
December, 2023	151.90	102.55	153.05	102.15
January, 2024	142.00	114.00	143.70	113.80
February, 2024	156.80	124.45	157.30	124.00
March, 2024	164.10	98.10	164.35	97.05

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 2024 (based on month end closing):



6.11 Registrar & Share Transfer Agents:
LINK INTIME INDIA PRIVATE LIMITED

C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400 083

E-mail – anand.chawla@linkintime.co.in

Ph: 022 4918 6000 (Extn: 2399) Fax :022 4918 6060

Website: www.linkintime.co.in

Contact Person: Mr. Anand Chawla

6.12 Share Transfer System

Shares sent for transfer in physical form, if any, are registered and returned by our Registrars and Share Transfer Agents within 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.

In respect of shares held in dematerialized mode, the transfer takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/ credit of the accounts involved.

6.13 Categories of Shareholding as on 31st March, 2024:

Categories	Number of Shares	%
(A) Shareholding of Promoter and Promoter Group		
Promoters and Promoter Group	58,10,068	27.67
Total Shareholding of Promoter & Promoter Group (A)	58,10,068	27.67
(B) Public Shareholding		
(i) Institutions (Domestic)	-	-
(ii) Institutions (Foreign)		
FPI Category I	18,189	0.09
FPI Category II	41,000	0.20
(iii) Central/State Govt.	0	0
Total Public Institutions (B) (i)	59,189	0.28
(ii) Non-Institutions		
Individuals	1,09,93,729	52.35
NRIs	1,37,985	0.66
Bodies Corporate	30,94,750	14.74
Overseas Corporate Bodies	-	-
Clearing Members	760	0.00
Others IEPF/HUF/NBFC registered with RBI	9,03,519	4.3
Total Public Non-Institution (B) (ii)	1,51,30,743	72.05
Total Public Shareholding (B)=(B)(i)+(B)(ii)	1,51,89,932	72.33
Total Shareholding (A) + (B)	2,10,00,000	100.00

6.14 Top Ten equity shareholders of the Company as on 31st March, 2024 (other than Promoters)

Sr. No.	Name of Shareholders	No of equity Shares held	Percentage of holding
1	Nexia International Private Limited	2581777	12.29
2	Sangeetha S	351700	1.67
3	Shujaur Siddiqui	250000	1.19
4	Nayana Suresh Kumar Majithia	239728	1.14
5	Baba Hussain Mohammed	166666	0.79
6	Ujwala Prakash Jain	155000	0.74
7	Gream Traders & Exporters	150000	0.71
8	Puja Agarwal	106400	0.51
9	Jaya Rajneesh Agarwal	105750	0.50
10	Sachin Kumar Agarwal	104368	0.50

6.15 Distribution of Shareholding as on 31st March, 2024:

No. of equity Shares held	Shareholders		Total Shares	
	Number	% of Total	Shares	% of Total
1-100	7913	57.95	279348	1.33
101-200	1591	11.65	263920	1.26
201-500	1806	13.23	649495	3.09
501-1000	970	7.10	770265	3.67
1001-10000	1157	8.47	3728967	17.76
10001-100000	206	1.51	5427792	25.85
100001 and above	13	0.10	9880213	47.05
Total	13656	100.00	21000000	100.00

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 an account with any of the depository participants registered with any of these depositories. As on 31st March, 2024, 99.99% (2,09,99,999 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, on 4th April, 2023, allotted 27,00,000 warrants, each convertible into equivalent no. of equity shares of the Company, on preferential basis, at an issue price of Rs. 55/- each, upon receipt of 25% of the Issue price (i.e. Rs. 13.75 per warrant) as warrant subscription money, to Promoters, Promoter Group and persons belonging to Non-promoter Public category. The respective allottees are yet to exercise their option for conversion of warrants into equity shares of the Company. The last day for exercising the option for conversion is 4th October, 2024, being 18 months from the date of allotment of warrants.

6.19 Commodity price risk or foreign exchange risk and hedging activities:

The Company hedges its foreign currency exposure in respect of its imports, borrowings, and export receivables as per its laid policies and seeks to minimize the effects of these risks by continuous monitoring and using derivative financial instruments to hedge risk exposures, wherever permissible and cost effective.

6.20 Plant Location

Plot Nos. 28,29,
Shah & Mehta Ind. Estate,
Village-Ghonsai, Tal. Wada, Dist. Thane
Maharashtra - 421 312

6.21 Address for Correspondence

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

6.22 Credit ratings

The Credit Ratings of the Company for long term / short term facilities as on 31st March, 2024 is as below: -

Long Term Bank Facilities	CARE B+
Short Term Bank Facilities	CARE A4

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 conflicted 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.

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 except the following:

Sr. No.	Particulars	Strictures/Penalties
FY 23-24		
During the year under review, no strictures or penalties were imposed on the Company.		
FY 22-23		
1	Regulation 23(9) of SEBI (LODR) Regulations, 2015- <i>Non-submission of disclosure of related party transactions for half year ended 30th September, 2020</i>	NSE- Levied Penalty of INR 21,55,000/ Current Status: NSE accepted/ rejected the request of the Company for waiver of fine in the following manner and disposed of the matter: - (i) Acceptance of waiver of Penalty of INR 3,45,000/-; (ii) Rejection of waiver of Penalty of INR 1,35,000/-; and (iii) Acceptance of waiver of Penalty of INR 16,75,000/-. The fine amount of INR 1,35,000/- was paid by the Company on 19th July, 2022. BSE- Levied Penalty of INR 31,05,000/- Current Status: BSE accepted/ rejected the request of the Company for waiver of fine in the following manner and disposed of the matter: - (i) Acceptance of waiver of Penalty of INR 23,68,220/-; (ii) Rejection of waiver of Penalty of INR 7,36,780/- The fine amount of INR 7,36,780/- was paid by the Company on 9th March, 2023.
2	Regulation 34 of SEBI (LODR) Regulations, 2015- <i>Non submission of Annual Report for the FY ended 31st March, 2021</i>	BSE- Levied Penalty of INR 2,28,000/- Current Status: On receipt of SOP review notice from BSE for the alleged non-compliance, the Company submitted requisite clarification and the application to waive off the penalty levied on account of alleged non-compliance of the said Regulation was also filed with BSE and NSE. BSE approved the waiver application and the entire penalty amount was waived off vide BSE email dated 21st October, 2022 and the matter was disposed of. NSE- Levied Penalty of INR 2,26,000/- Current Status: NSE approved the waiver application and the entire penalty amount was waived off vide their letter Ref. No. NSE/LIST/SOP/ HILTON dated 23rd May, 2022 and the matter was disposed of.
3	Regulation 34 of SEBI (LODR) Regulations, 2015- <i>Late submission of Annual Report for the FY ended 31st March 2014 to BSE Limited</i>	BSE- Levied Penalty of INR 1,000/- Current Status: On receipt of SOP review notice from BSE for the alleged delayed compliance, the Company paid the entire fine amount on 24th August, 2022 and the matter was disposed of.

Sr. No.	Particulars	Strictures/Penalties
FY 22-23		
4	Regulation 29(2) of SEBI (LODR) Regulations, 2015- <i>Non-furnishing of prior intimation of the Board Meeting held on 26th November 2021 to consider the agenda for fund raising</i>	BSE- Levied Penalty of INR 10,000/- Current Status: The application to waive off the penalty levied on account of alleged non-compliance of the said Regulation was filed with BSE and NSE. BSE vide email dated 26th July, 2022 rejected the waiver application and the entire fine amount of INR 10,000/- was paid by the Company on 4th August, 2022 and the matter was disposed of. NSE- Levied Penalty of INR 10,000/- Current Status: NSE vide their letter Ref. No. NSE/LIST/SOP/HILTON dated 23rd May, 2022 rejected the waiver application and the Company intimated NSE vide email dated 23rd May, 2022 that the entire fine amount of INR 10,000/- was already paid on 14th February, 2022 and the matter was disposed of.
FY 21-22		
1	Regulation 29(2) of LODR Regulations, 2015 - <i>Non-furnishing of prior intimation of the Board Meeting held on 26th November, 2021 to consider the agenda for fund raising</i>	NSE- Levied Penalty of INR 11,800/- Current Status: The waiver request was rejected by NSE and requisite fine was remitted to NSE and the matter is disposed of. BSE- Levied Penalty of INR 11,800/- Current Status: The waiver request was rejected by BSE and requisite fine was remitted to BSE and the matter is disposed of.
2	Regulation 34 of LODR Regulations, 2015- <i>Non submission of Annual Report for FY 20-21</i>	NSE- Levied Penalty of INR 2,66,680/- Current Status: The waiver request was accepted and approved by NSE and the matter is disposed of. BSE- Levied Penalty of INR 2,66,680/- Current Status: The waiver request was accepted and approved by NSE and the matter is disposed of.

7.3 Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) and sub section (10) of the Act and in terms of Regulation 22 read with Regulation 4(2)(d)(iv) of Listing Regulations, 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 Chairman and Managing Director 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. During the year under review, no person was denied access to the audit committee.

The Whistleblower Policy is available on the Company's website under the head policy.
<https://www.hiltonmetal.com/corporate-governance/>

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 Listing Regulations, to the extent applicable to the Company.

The Company has adopted following non-mandatory requirements of Listing Regulations:

- i) Audit Qualification: The Company is in a regime of unqualified/unmodified financial statements.
- ii) Reporting of Internal Auditor: The Internal Auditor reports directly to the Audit Committee periodically to ensure independence of the Internal Audit function.

7.5 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 and other material events as per the Policy. Disclosure of shareholding is taken from all the directors and Designated Employees and other connected persons of the Company.

The Code of Conduct for prevention of Insider Trading is available on Company's website
<https://www.hiltonmetal.com/corporate-governance/>

7.6 Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

During the FY under review, the Board of Directors of the Company on 4th April, 2023, has allotted 27,00,000 warrants fully convertible into equivalent number of Equity Shares of the Company for an aggregate amount not exceeding ₹14,85,00,000 to Promoters, Promoter group and Persons belonging to Non-Promoter public category, by way of preferential issue, for cash, at an issue price of ₹ 55/- per Warrant, upon receipt of ₹ 3,71,25,000/- (Rupees Three Crore Seventy One Lakhs Twenty-Five Thousand Only), which is equivalent to 25% (twenty five per cent) of the Warrant Issue Price as upfront payment.

The respective allottees are yet to exercise their option for conversion of warrants into equity shares of the Company. The last day for exercising the option for conversion is 4th October, 2024, being 18 months from the date of allotment of warrants.

7.7 Certification by Practicing Company Secretary

As per the amended Listing Regulations, the Company has obtained a certificate from the Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified, from being appointed or continuing as Directors, by Securities and Exchange Board of India/Ministry or Corporate Affairs or any such authority and the same is appended as an Annexure to this Report.

7.8 Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant Financial Year, the same to be disclosed along with reasons

During the year under review, the Board has accepted all the recommendations of all the Committees of the Board.

7.9 Total fees paid to M/s. Anil Bansal & Associates, Statutory Auditors:

The total fees (excluding taxes and OPE) for all services paid by the Company, to M/s. Anil Bansal & Associates, Statutory Auditors, is Rs. 9,00,000/-, as mentioned in Note No. 28 of the Financial Statements, forming part of this Annual Report.

7.10 Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

No complaints of sexual harassment of women at workplace were filed during the financial year 2023-24.

7.11 Disclosure by listed entity of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount'

Since the listed entity has not advanced any loans to firms/companies in which directors are interested, the disclosure under this head is not applicable.

8) CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS

Certificate from the Statutory auditors confirming compliance with the conditions of Corporate Governance, as stipulated under Listing Regulations, is attached and forms part of the Annual Report.

9) SENIOR MANAGEMENT:

The particulars of senior management, including changes therein during the Financial Year 2024 are as follows:

Sr. No.	Name	Designation
1.	⁽¹⁾ Mr. Siddharth Jain	Chief Financial Officer
2.	⁽²⁾ Mr. Mohak Malhotra	Chief Financial Officer
3.	Mr. Navraj Malhotra	Factory Director
4.	Mr. Sharad Barde	HR Head
5.	Ms. Yashika Malhotra	Marketing Head
6.	Mrs. Richa Shah	Company Secretary

⁽¹⁾ Resigned w.e.f. close of business hours of 30th June, 2023.

⁽²⁾ Appointed w.e.f. 13th July, 2023

10) CEO / CFO CERTIFICATE:

The CEO/ CFO Certificate under Regulation 17 (8) of SEBI(LODR) Regulations, 2015, for FY 2023-24 is attached and forms part of the Annual Report.

11) 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.

For and on behalf of the Board of Directors

Place: Mumbai

Date: 30th May, 2024

Yuvraj Malhotra
Chairman & Managing Director
DIN:00225156

Managing Director's Declaration for Compliance with Code of Conduct

I confirm that the Company has, in respect of the year ended March 31, 2024, 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.

For Hilton Metal Forging Limited

Place: Mumbai

Date: 30th May, 2024

Yuvraj Malhotra

Chairman & Managing Director

DIN:00225156

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
Hilton Metal Forging Limited,
Mumbai

We have examined the compliance of conditions of the Corporate Governance by Hilton Metal Forging Limited ("the Company"), for the year ended on March 31, 2024 as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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 compliance with the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Based on our examination of the relevant records and according to the information and explanations provided to us and representations provided by the Management, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D & E of Schedule V of the Listing Regulations during the year ended on March 31, 2024.

We further state that such compliance 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.

Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For Anil Bansal & Associates

Chartered Accountants

Firm registration number:100421W

Sd/-

Anil Bansal

Partner

UDIN: 24043918BKQDQDG1962

Membership no. 043918

Date: 30th May, 2024

Place: Mumbai

Compliance Certificate

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

We, Yuvraj Malhotra, Chairman and Managing Director and Mohak Malhotra, Chief Financial Officer of Hilton Metal Forging Limited ("the Company"), hereby certify that:

- a. We have reviewed the Audited Financial Statements, and the Cash Flow Statement for the Financial Year ended on 31st March, 2024 and confirm that:
 - 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 existing Accounting Standards, applicable laws and regulations.
- b. There is, to the best of our knowledge and belief, no transaction entered into by the Company during the financial year ended 31st March, 2024, which is fraudulent, illegal or violative of the Company's code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that 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
- d. We have indicated to the Auditors and the Audit committee that for the quarter and financial year ended 31st March, 2024, that there were:
 - i. no significant changes in Internal Control over financial reporting;
 - ii. no significant changes in accounting policies and that the same have been disclosed in the notes to the financial statement; and
 - iii. no instances of significant fraud of which we have become aware and there has been no involvement therein of the management or an employee having a significant role in the Company's Internal Control System over financial reporting.

We further declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended 31st March, 2024.

Date: 30th May, 2024
Place: Mumbai

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

Sd/-
Mr. Mohak Malhotra
Chief Financial Officer

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C Sub clause (10)(I) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
HILTON METAL FORGING LIMITED,
Mumbai

I have examined following documents for the purpose of issuing this Certificate-

- i) Declaration of non-disqualification as required under section 164 of the Companies Act, 2013 ("Act"); and
- ii) Disclosure of concern and/or interests as required under section 184 of the Act

(hereinafter referred to as "the relevant documents") of **Hilton Metal Forging Limited**, bearing CIN: L28900MH2005PLC154986 and having its registered office at Unit B 510, Western Edge II Village, Nr W E Highway, Magathane, Borivali East, Mumbai -400066 (hereinafter referred to as "the Company") to the Board of Directors of the Company ("the Board") for the Financial Year 2023-24 and relevant registers, records, forms and returns maintained by the Company and as made available for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (LODR) Regulations, 2015. I have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act and ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on verification.

Based on the verification and examination of aforesaid documents including Directors Identification Number (DIN) status at the Ministry of Corporate Affairs (MCA) portal www.mca.gov.in and the List of disqualified Directors published by the MCA, in my opinion and to the best of my information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, I hereby certify that during the Financial Year ended 31st March 2024, none of the Directors on the Board of the Company, as listed hereunder have been debarred or disqualified from being appointed or continuing to act as Directors of Companies by Securities and Exchange Board of India/ MCA or any such statutory authority:

Sr.No.	Name of the Directors	DIN	Date of appointment*
1	Yuvraj Hiralal Malhotra	00225156	21/07/2005
2	Priyam Chaturvedi	08153689	13/07/2023
3	Vivek Sharma	00152758	13/07/2023
4	Sandeep Shah	06402659	15/05/2019
5	Prithivish Mundra	08529151	05/08/2019
6	Nikita Moradia	08530305	06/08/2019
7	⁽¹⁾ Suresh Kumar Joshi	08153689	08/06/2018
8	⁽²⁾ Sanjay Jain	00152758	29/03/2006

*The date of appointment is as per the MCA Portal

⁽¹⁾ ceased to be Non-Executive Independent Director w.e.f. close of business hours of 25th August, 2023 on account on completion of his second term as an Independent Director

⁽²⁾ resigned from the post of Non-Executive Independent Director w.e.f. close of business hours of 27th July, 2023

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2024.

Place: Mumbai
Date: 30th May, 2024

Sd/-
Shreya Shah
Practicing Company Secretary
Mem No. A39409/CoP: 15859
Peer Review Certificate No.: 1696/2022
UDIN: A039409F000505479

Independent Auditor's Report

To,
The Members of Hilton Metal Forging Limited
Report on the Financial Statements

Opinion

We have audited the financial statements of Hilton Metal Forging Limited ("the Company"), which comprise the Balance Sheet as at March 31st, 2024, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2024 and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis on Matters

Refer note no. 40 to the financial statements relating to dues to micro and small enterprises as defined under the MSMED Act, 2006, the company has not made interest provision on late payment to creditors, due to the negotiation on the accepted date and materials issues, under the said act as per the applicable provisions of the law in respect to the extent of such parties have been identified on the basis of information collected by the Management.

Refer note no. 42 to the financial statements, out of the total debtors of Rs. 3215.53 Lakhs As at March 31, 2024, Rs. 500.48 Lakhs has more than one year at the year end. As explained to us, management is in discussion with these debtors to expedite the recoverability of the above aforesaid outstanding amounts and believes that the entire amount is fully recoverable. Therefore, no provision is considered necessary in these financial statements in this regard.

Refer note no. 44 to the financial statements, On the basis of the information and explanations sought by us and given by the company, The balance appearing under the head Trade receivable, trade payable, loans & advances and outstanding balance are subject to confirmation and reconciliation and consequent adjustment, if any, will be accounted for in the year of confirmation and/or reconciliation. However, the Management does not expect any material variation in the financial results.

Our opinion is not qualified in respect of above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of 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, to the extent applicable.
- 2.A. As required by Section 143(3) of the Act, we further report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books, except for certain matters in respect of audit trail as stated in the paragraph 2B(f) below.
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
 - d. Except for the matter described in the Basis of Emphasis on Matters paragraph, In our opinion, the aforesaid financial statements comply with applicable Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on 31st March, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. The modifications relating to the maintenance of accounts and other matters connected therewith in respect of audit trail are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 2.B. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements, if any, refer note 30 to the financial statements;
- (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (d) (I) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - (ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (e) The Company has not declared or paid any dividend during the year.
- (f) Based on our examination which included test checks and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:
 - (I) The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account relating to payroll, order process, general ledger and certain non-editable fields/tables of the accounting software used for maintaining general ledger.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

- 2.C. With respect to the matter to be included in the Auditors' Report in accordance with the requirements of section 197(16), as amended;

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Anil Bansal & Associates
Chartered Accountants
Firm registration number:100421W

Anil Bansal
Partner
Membership no.: 043918
UDIN: 24043918BKCQDI3633

Place: Mumbai
Date: 30th May, 2024

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

**[Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements"
Section of our report of even date]**

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of 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.
 - d. The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.
 - e. According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. In respect of Inventory and Working Capital Limites
 - a. The inventory 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 and have been properly dealt with in the books of accounts.
 - b. The company has been sanctioned working capital limits in excess of five crore rupees and the company has availed the said limit during the year, in aggregate, from banks or financial institutions on the basis of security of current assets.
 - c. According to the information and explanation provided to us and our observations, statements filed by the company with banks in agreement with the books of account of the Company.
- iii. a. According to the 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 Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.
- v. According to the information and explanation given to us, the Company has not accepted any deposits covered under section 73 to 76 of the Act 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. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the central government under section 148(1)(d) of the Companies Act, 2013 and are of the opinion that, Prima Facie, the prescribed accounts and cost records have been maintained. we have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- vii. According to the information and explanations given to us, in respect of statutory dues:
- a. According to Information and explanation given to us, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and other material statutory dues have generally regularly deposited with the appropriate authorities though there has been a delay in a few cases.
 - b. According to the information and explanations provided to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Service Tax, Sales-Tax, Goods and Services Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix a. 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 delayed in repayment of dues to Banks and Non banking Financial Company (NBFC) during the year. The details are as under;

Particulars	Amount of delayed	No. of days	Remarks, if any.
ICICI Bank	11.20 Lakhs	30-58 Days	Subsequently same is repaid till the date of signing the balance sheet
Arthmate Finance	15.95 Lakhs	30-89 Days	Subsequently same is repaid till the date of signing the balance sheet

- b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - c. The Company has not raised working capital and term during the year. The term Loans outstanding at the beginning of the year been applied for the purposes for which they were raised.
 - d. On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - e. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
 - f. The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. a. The Company has raised partly money during the year by way of share warrants but has not converted into equity shares. Notice was dispatched well in advance and issues has open for the minimum period required. (refere note no. 12(d) to the financial statement)
- b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable
- xi. a. Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - c. According to the information and explanations given to us, there is no whistle blower complaint has been received by the company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. "According to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

- xiv. a. Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business but its requires to be more strengthen or improvement needed.
- b. We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. According to information and explanation given to us, the Company is not required to be registered uls 45-IA of Reserve Bank of India Act, 1934. Accordingly, provision of clause 3(xvi) of the Order is not applicable to the Company.
- xvii. According to the information and explanations given to us, the company has not incurred cash losses in the current financial as well as in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Anil Bansal & Associates
Chartered Accountants
Firm registration number:100421W

Anil Bansal
Partner
Membership no.: 043918
UDIN: 24043918BKQDI3633

Place: Mumbai
Date: 30th May, 2024

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls with accompanying financial statements of Hilton Metal Forging Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, in conjunction with our audit of the financial statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). 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 Act.

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 Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 controls 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2024, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Anil Bansal & Associates

Chartered Accountants

Firm registration number:100421W

Anil Bansal

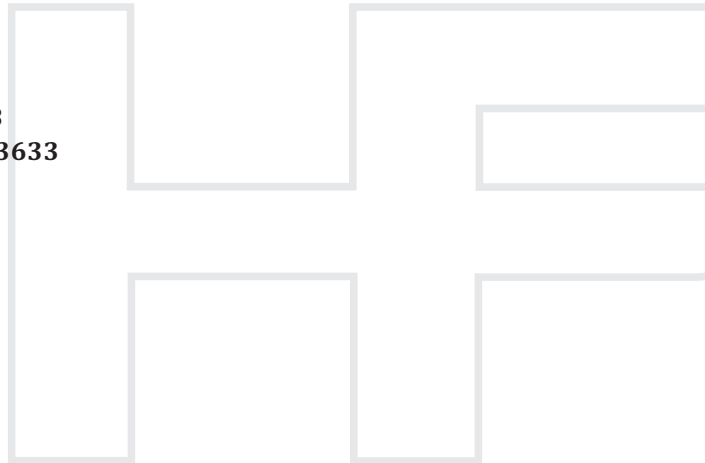
Partner

Membership no.: 043918

UDIN: 24043918BKCQDI3633

Place: Mumbai

Date: 30th May, 2024



HILTON METAL FORGING LIMITED
CIN: L28900MH2005PLC154986
Balance sheet as at 31st March 2024

	Notes	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,571.05	2,768.91
Capital work-in-progress	3	2,114.54	1,452.80
Investment property	4	87.27	87.27
Financial assets			
Investment	5	0.50	0.50
Trade receivables	6	500.48	483.34
Other Non-current Financial Assets	7	25.29	25.29
Deferred tax assets (Net)	8	-	31.49
		5,299.13	4,849.60
Current assets			
Inventories	9	7,891.08	6,644.59
Financial assets			
Trade receivables	6	2,715.05	3,019.49
Cash and cash equivalents	10	116.97	111.30
Other financial assets	7	27.13	57.38
Other current Assets	11	2,407.25	2,240.50
		13,157.48	12,073.26
Total assets		18,456.61	16,922.86
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	2,100.00	2,100.00
Other equity	13	7,851.97	6,812.14
Total Equity		9,951.97	8,912.14
Non-current liabilities			
Financial Liabilities			
Borrowings	14	1,403.40	1,517.09
Provisions	15	93.42	85.47
Deferred tax liabilities (Net)	16	86.45	-
		1,583.27	1,602.55
Current liabilities			
Financial liabilities			
Borrowings	14	3,714.78	3,492.45
Trade Payables	17	2,119.41	2,102.63
Other financial liabilities	18	289.57	278.12
Provisions	15	6.98	7.76
Other current liabilities	19	659.34	527.21
Current Tax Liability	20	131.29	-
		6,921.37	6,408.17
Total		18,456.61	16,922.86

Significant accounting policies and Notes to the financial statements 2 to 45

As per our report of even date
 For: Anil Bansal & Associates
 Chartered Accountants
 Firm registration number:100421W

For and on Behalf of Board of
 Hilton Metal Forging Limited

Anil Bansal
 Partner
 Membership no. 043918

Yuvraj Malhotra
 Chairman/Managing Director
 (DIN-00225156)

Mohak Malhotra
 CFO
 (DIQPM6990E)

Place : Mumbai
 Date : 30-05-2024

Richa Pankaj Shah
 Company Secretary
 (DERPS1049D)

HILTON METAL FORGING LIMITED
CIN: L28900MH2005PLC154986
Statement of profit and loss for the year ended 31st March 2024

	Notes	For the year ended 31st March 2024 Rs. In Lacs	For the year ended 31st March 2023 Rs. In Lacs
Income			
Revenue from operations	21	13,807.11	10,482.95
Other Income	22	181.70	56.35
Total Revenue		13,988.80	10,539.30
Expenses:			
Cost of materials consumed	23	12,215.31	8,785.87
Change in inventories of finished goods and Working in Progress	24	(1,112.20)	(861.44)
Employee benefit expenses	25	315.42	298.49
Depreciation & amortization expenses	26	219.60	236.36
Finance cost	27	648.37	535.85
Other expenses	28	915.78	840.71
Total expenses (II)		13,202.28	9,835.85
Profit/(loss) Before Exceptional Item		786.52	703.45
Exceptional Item		-	-
Profit/(loss) Before Tax		786.52	703.45
Tax expense:			
Current Tax		131.29	-
Mat credit entitlement		(131.29)	-
Deferred tax		117.94	117.47
Total tax expenses		117.94	117.47
Profit/(loss) After Tax		668.58	585.97
Other comprehensive income:			
i. Items that will not be reclassified to Statement of Profit and Loss		-	-
ii. Income tax relating to items that will not be reclassified to Statement of Profit and Loss		-	-
iii. Items that will be reclassified to Statement of Profit and Loss		-	-
Total comprehensive income for the year		-	-
Profit/(loss) transfer to balance sheet		668.58	585.97
Earnings per equity share of face value of ` 10 each	29		
Basic (in `)		3.18	2.79
Diluted (in `)		3.18	2.79

Significant accounting policies and Notes to the financial statements 2 to 45

As per our report of even date
 For: Anil Bansal & Associates
 Chartered Accountants
 Firm registration number:100421W

For and on Behalf of Board of
 Hilton Metal Forging Limited

Anil Bansal
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 CFO
 (DIQPM6990E)

Place : Mumbai
 Date : 30-05-2024

Richa Pankaj Shah
 Company Secretary
 (DERPS1049D)

HILTON METAL FORGING LIMITED
CIN: L28900MH2005PLC154986
Cash Flow Statement for the year ended 31st March, 2024

	Notes	For the year ended 31 st March 2024 Rs. In Lacs	For the year ended 31 st March 2023 Rs. In Lacs
Cash flow from operating activities			
Profit before tax and after prior period items		786.52	703.45
Non-cash adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortization		219.60	236.36
Finance costs		648.37	535.85
Interest / Rent Income income		(146.74)	(45.99)
Foreign Exchange loss/(gain) (net)		78.15	(3.83)
Operating profit before working capital changes		1,585.91	1,425.85
Movements in working capital:			
Decrease/(increase) in inventories		(1,246.49)	(1,180.43)
Decrease/(increase) in trade receivables		287.30	(2,888.61)
Decrease/(increase in) in loans, financial and other assets		(105.00)	(1,085.12)
Increase/(decrease) in short term borrowings		222.33	(384.49)
Increase/(decrease) in trade payables		16.78	1,895.65
Increase/(decrease) in loans, financial & other liabilities		361.31	(74.54)
Increase/(decrease) in provisions		7.18	(1.68)
Cash generated from / (used in) operations		1,129.32	(2,293.39)
Direct taxes paid (net of refunds)		(117.94)	(117.47)
Cash flow before extraordinary item		1,011.38	(2,410.86)
Extra ordinary item		-	-
Net cash flow from/ (used in) operating activities (A)		1,011.38	(2,410.86)
Cash flows from investing activities			
Equity shares issued		-	3,838.48
Share Application/share warrants Money Received pending for the allotment		371.25	-
Addition of property, plant and equipment		(683.49)	(615.94)
Interest received / rent received		146.74	45.99
		(165.49)	3,268.53
Cash flows from financing activities			
Long term borrowing / repayment (net)		(113.68)	(338.53)
Finance cost		(648.37)	(535.85)
Net cash flow from/ (used in) in financing activities (C)		(762.06)	(874.38)
Net increase/(decrease) in cash and cash equivalents (A + B + C)		83.83	(16.72)
Foreign Exchange loss/(gain) (net)		(78.15)	3.83
Cash and cash equivalents at the beginning of the year		111.30	124.19
Cash and cash equivalents at the end of the year		116.97	111.30
Components of cash and cash equivalents			
Cash on hand		10.40	8.08
Balance with banks:			
On current accounts		1.12	2.33
Unpaid dividend account		-	0.69
Earmarked deposit accounts		105.45	100.21
Total cash and bank equivalents		116.97	111.30

Significant accounting policies and Notes to the financial statements 2 to 45

As per our report of even date
 For: Anil Bansal & Associates
 Chartered Accountants
 Firm registration number:100421W

For and on Behalf of Board of
 Hilton Metal Forging Limited

Anil Bansal
 Partner
 Membership no. 043918

Yuvraj Malhotra
 Chairman/Managing Director
 (DIN-00225156)

Mohak Malhotra
 CFO
 (DIQPM6990E)

Place : Mumbai
 Date : 30-05-2024

Richa Pankaj Shah
 Company Secretary
 (DERPS1049D)

HILTON METAL FORGING LIMITED
CIN: L28900MH2005PLC154986
Statement of change in equity for the year ended 31st March 2024
A. EQUITY SHARE CAPITAL
Rs. In Lacs

Balance at the beginning of the reporting period i.e. 1st April, 2022	Changes in Equity Share capital during the year 2022-23	Balance at the end of the reporting period i.e. 31st March, 2023	Changes in Equity Share capital during the year 2023-24	Balance at the end of the reporting period i.e. 31st March, 2024
1,244.30	855.70	2,100.00	-	2,100.00

B. OTHER EQUITY
Rs. In Lacs

Particulars	Reserve & Surplus					Total
	Share application money pending allotment	General Reserve	Securities Reserve	Retained Earnings	Item of other comprehensive income	
Balance at the beginning of the reporting period i.e. 1st April, 2022	-	515.53	3,361.81	(671.22)	37.27	3,243.39
Received during the year	538.50	-	-	-	-	538.50
Equity share issued during the year	(538.50)	-	-	-	-	(538.50)
Profit/(loss) for the year	-	-	2,982.78	585.97	-	3,568.75
Other comprehensive Income including net of Tax	-	-	-	-	-	-
Balance at the end of the reporting period i.e. 31st March, 2023	-	515.53	6,344.59	(85.25)	37.27	6,812.14
Balance at the beginning of the reporting period i.e. 1st April, 2023	-	515.53	6,344.59	(85.25)	37.27	6,812.14
Received during the year	371.25	-	-	-	-	371.25
Equity share issued during the year	-	-	-	-	-	-
During for the year	-	-	-	668.58	-	668.58
Other comprehensive Income including net of Tax	-	-	-	-	-	-
Balance at the end of the reporting period i.e. 31st March, 2024	371.25	515.53	6,344.59	583.33	37.27	7,851.97

Significant accounting policies and Notes to the financial statements 2 to 45

As per our report of even date
 For: Anil Bansal & Associates
 Chartered Accountants
 Firm registration number:100421W

For and on Behalf of Board of
 Hilton Metal Forging Limited

Anil Bansal
 Partner
 Membership no. 043918

Yuvraj Malhotra
 Chairman/Managing Director
 (DIN-00225156)

Mohak Malhotra
 CFO
 (DIQPM6990E)

Place : Mumbai
 Date : 30-05-2024

Richa Pankaj Shah
 Company Secretary
 (DERPS1049D)

HILTON METAL FORGING LIMITED
CIN: L28900MH2005PLC154986
Notes to the Financial Statement for the year ended 31st March, 2024

Note 3 - Property, Plant and equipment Rs. In Lacs

Particulars	Gross Block of Assets			Depreciation			Net Block		
	As on 01/04/2023	Addition/Transfer	Disposal/Transfer	As on 31/3/2024	As on 01/4/2023	During the year	Deduction	As on 31/3/2024	As on 31/3/2023
Land	137.59	-	-	137.59	-	-	-	137.59	137.59
Building and Shed	745.98	-	-	745.98	285.16	13.32	-	447.49	460.82
Staff Quarters	106.46	-	-	106.46	41.75	1.96	-	62.75	64.71
Office Premises	1.70	-	-	1.70	1.70	-	-	-	-
Plant & Machinery	4,669.56	15.20	-	4,684.77	2,608.52	200.99	-	1,875.25	2,061.04
Electrical Installation	95.35	1.02	-	96.37	87.75	(1.91)	-	10.52	7.60
Motor Car	6.73	-	-	6.73	6.40	(0.78)	-	1.12	0.34
Office Equipment	36.94	1.39	-	38.33	31.22	2.31	-	4.79	5.72
Designs & Drawings	0.68	-	-	0.68	0.65	-	-	0.03	0.03
Computer	50.92	4.14	-	55.06	44.27	0.35	-	10.44	6.65
Furniture & Fixtures	106.78	-	-	106.78	82.38	3.36	-	21.04	24.40
Total	5,958.71	21.75	-	5,980.45	3,189.80	219.60	-	2,571.05	2,768.91
Capital Work in Progress*	-	-	-	-	-	-	-	2,114.54	1,452.80
At 31st March 2023	5,947.19	11.52	-	5,958.71	2,953.44	236.36	-	2,768.91	2,993.75

*The semi-finished goods of Rs. Nil (previous year, Rs. 459.21 Lakhs) has been used for Captive consumption in parts of plant & machinery and dies, mould & inserts which is under process at the end of the financial year.

HILTON METAL FORGING LIMITED
CIN: L28900MH2005PLC154986

Notes to the Financial Statement for the year ended 31st March, 2024

Note 4- Investment Property

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Property held with investment	87.27	87.27
Total	87.27	87.27

Note 5- Non Current Investment

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Unquoted Shares		
500 Equity Shares (P.Y. 500) of Rs. 100 each, fully paid up of Saraswat Co-op Bank Ltd	0.50	0.50
Total	0.50	0.50

Note 6 - Trade receivables

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Non-current		
Unsecured, considered good	500.48	483.34
Total	500.48	483.34
Current		
Unsecured, considered good	2,715.05	3,019.49
Total	2,715.05	3,019.49

Note 6.1 - Trade receivables ageing schedule for the year ended

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Undisputed Trade receivables		
Less than 6 Months	2,532.72	728.54
6 Months to 1 year	182.33	2,290.95
1-2 years	89.47	107.24
2-3 years	34.90	216.83
More than 3 years	376.10	159.27
Disputed Trade receivables	-	-
	3,215.53	3,502.83

Note 7 - Other Financial Assets

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Non-current		
Secured - Considered Good		
Security deposit	25.29	25.29
Total	25.29	25.29
Current		
Secured - Considered Good		
Security deposit	27.13	53.42
Interest accrued on fixed deposit	-	3.96
Total	27.13	57.38

Note 8 - Deferred tax assets

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Deferred tax assets (Net)		
Related to fixed assets (net of losses)	-	31.49
Deferred tax assets (Net)	-	31.49

Note 9 - Inventories

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Raw Material (including Goods in Transit)	3,590.43	3,421.90
Semi Finished Goods	2,470.62	1,492.43
Finished Goods	292.43	158.43
Store, Spares & Consumables	39.43	32.42
Dies and Inserts	1,498.18	1,539.41
Total	7,891.08	6,644.59

*The semi finished goods of Rs. Nil (previous year, Rs.459.21 Lakhs) has been used for Captive consumption in dies, mould & inserts and part of plant and machinery.

Note 10 - Cash and Cash Equivalents

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Cash in hand	10.40	8.08
Balance with banks:		
On current accounts	1.12	2.33
Unpaid dividend account	-	0.69
FDR (Lien with banks)	105.45	100.21
Total	116.97	111.30

Note 11 - Other current Assets (Unsecured, Considered Good)

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Balance with Statutory Authorities	446.07	318.39
Others advances	1,961.18	1,922.12
Total	2,407.25	2,240.50

Note 12 - Share Capital

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
a. Authorised Shares		
25,000,000 (Previous year 25,000,000) Equity Shares of Rs. 10/- each.	2,500.00	2,500.00
Issued, Subscribed and fully paid -up Shares		
21,000,000 (Previous year 21,000,000) Equity Shares of Rs. 10/- each.	2,100.00	2,100.00
Total Issued, Subscribed and fully paid -up Shares	2,100.00	2,100.00

b. Reconciliation of number of shares outstanding
Equity Share Capital

Particular	As at 31st March 2024		As at 31st March 2023	
	Share in Lacs	Rs. In Lacs	Share in Lacs	Rs. In Lacs
As at the beginning of the year	210.00	2,100.00	124.43	1,244.30
Add: Addition on conversion of share warrant	-	-	25.57	255.70
Add: Addition as per right issue	-	-	60.00	600.00
As at the end of the year	210.00	2,100.00	210.00	2,100.00

c. Term/ Right Attached to Equity Share

The company has only one class of equity shares having a per value of Rs. 10 per share. Each share of Equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Money received against share warrants

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Money received against share warrants		
25% upfront payment	371.25	134.63
75% balance payment	-	403.88
	371.25	538.50

Money received against Share Warrants represents amounts received towards share warrants which entitles the warrant holders the option to apply for and be allotted equivalent number of equity shares of the face value of Rs. 10/ each.

During the financial year, the Company has issued on preferential basis 2,700,000 share warrants at a price of Rs. 55.00 each entitling them for subscription of equivalent number of Equity Shares of Rs. 10/- each (including premium of Rs. 45/- each Share) under Regulation 28(1) of the SEBI (LODR) Regulations, 2015. The holder of the share warrants would need to exercise the option to subscribe to equity shares before the expiry of 18 months from the date of allotment made on 04th April, 2023 upon payment of the balance 75% of the consideration of share warrants.

Further during the year the Group has not exercised the option to convert the warrants into equity shares.

In previous year 2022-23, total 2556984 share warrants converted into 2,556,984 equity shares.

e. Issue of shares under right issue

F.Y.2023-24

During the financial year The Company has not issued equity shares under right issues.

F.Y.2022-23

The Company had, issued 60,00,000 equity shares of face value of Rs. 10/- each ('Rights Equity Shares') to the Eligible Equity Shareholders at an issue price of Rs. 55 per Rights Equity Share (including premium of Rs. 45 per Rights Equity Share). The rights were offered in ratio of 2:5.

f. Shareholding of promoter
Shares held by promoters as at March 31, 2024

Promoter Name	No of Shares	% of Total Shares	% Change during the year
Yuvraj Hiralal Malhotra	53,87,559	25.66	-
Diksha Yuvraj Malhotra	3,47,941	1.66	-
Navraj Malhotra	64,653	0.31	(51.99)
Seema Gujral	8,400	0.04	-
Mohak Yuvraj Malhotra	1,515	0.01	-

g. Details of Shareholders holding more than 5% shares in the Company

Name of the equity shareholder	As at 31st March 2024		As at 31st March 2023	
	Share	% Holding	Share	% Holding
Yuvraj Hiralal Malhotra	53,87,559	25.66	53,87,559	25.66
Nexia International Private Limited	25,81,777	12.29	26,31,777	12.53

*As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

Note 13 - Other equity

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
a) Share application money pending allotment		
Opening balance	-	-
Share application money received during the year	371.25	538.50
Equity share issued	-	(538.50)
Closing balance	371.25	-
b) General Reserve		
Balance as per the last financial statement	515.53	515.53
Add: Transfer during the year	-	-
Closing balance	515.53	515.53
c) Share premium		
Balance as per the last financial statement	6,344.59	3,361.81
Add: Addition during the year	-	2,982.78
Closing balance	6,344.59	6,344.59
d) Other Comprehensive Income		
Balance as per the last financial statement	37.27	37.27
Add: Addition during the year	-	-
Closing balance	37.27	37.27
e) Surplus in the statement of profit and loss		
Balance as per the last financial statement	(85.25)	(671.22)
Add: Transfer during the year	668.58	585.97
Closing balance	583.33	(85.25)
Total	7,851.97	6,812.14

Note 14 - Borrowing

	As at 31st March 2024		As at 31st March 2023	
	Non Current Rs. In Lacs	Current Rs. In Lacs	Non Current Rs. In Lacs	Current Rs. In Lacs
Secured Loans				
Term Loans*				
Indian rupee loan from Banks	1,076.42	289.57	1,245.39	278.12
Working Capital Loan**				
Indian rupee loan from Banks	-	3,714.78	-	3,492.45
Unsecured Loans				
Sales tax deferred	110.13	-	110.13	-
Loan from Related Party (Refer Note 14.1)	216.85	-	161.57	-
	1,403.40	4,004.35	1,517.09	3,770.57
Less: Amount disclosed under the head current liabilities (Note-18)	-	289.57	-	278.12
Net amount	1,403.40	3,714.78	1,517.09	3,492.45

*Term loans are secured by way of Mortgage of fixed assets as office premises and flats situated at mumbai and by the personal guarantee from managing director.

**Working capital loan from banks is secured by way of hypothecation of present and future Inventories, Book debt, plant & machinery of the company and mortgage of the factory land & building situated at wada and by the personal guarantee from managing director.

Note 14.1 - Loan from related parties

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Yuvraj Malhotra	45.80	41.52
Navraj Malhotra	1.50	1.50
Diksha Malhotra	124.86	97.00
Mohak Malhotra	7.75	-
Yashika Malhotra	36.95	21.56
Total	216.85	161.57

Note 15 - Provision

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Non Current		
Provision for gratuity	86.52	79.50
Provision for leave entitlements	6.90	5.96
Total	93.42	85.47
Current		
Provision for gratuity	6.98	6.82
Provision for leave entitlements	-	0.93
Total	6.98	7.76

Note 16 - Deferred tax liabilities (Net)

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Related to fixed assets (net of losses)	86.45	-
Deferred tax liabilities (Net)*	86.45	-

Note 17 - Trade Payables

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Micro & Small Enterprises (Refer Note-40)	22.41	25.78
Others Payable	2,097.00	2,076.85
Total	2,119.41	2,102.63

Note 17.1 - Trade payable ageing schedule for the year ended

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Micro & Small Enterprises		
Less than 1 year	3.23	16.38
1-2 years	17.52	3.54
2-3 years	1.65	5.86
	22.41	25.78
Others		
Less than 1 year	1,632.42	1,983.75
1-2 years	222.24	23.87
2-3 years	119.25	41.73
More than 3 years	123.09	27.50
	2,097.00	2,076.85
Total	2,119.41	2,102.63

Note 18 - Other financial liabilities

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Current		
Current Maturity	289.57	278.12
Total	289.57	278.12

Note 19 - Other Current Liabilities

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Statutory Dues	41.69	11.59
Advance from customers	254.33	364.61
Other Current liabilities*	363.32	151.01
Total	659.34	527.21

*Other Current Liabilities include Creditor for capital expenditure & others.

Note 20 - Current Tax Liability

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Current Income Tax	131.29	-
Total	131.29	-

Note 21 -Revenue From Operation

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Revenue from operations		
Sale of products	13,794.38	10,463.57
Other Operating Revenues	12.73	19.37
Total revenue from operations	13,807.11	10,482.95

Note 22 - Other Income

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Rent	32.53	32.07
Interest on Bank Deposit & Others	114.21	13.92
Others*	34.96	10.36
Total	181.70	56.35

*Including foreign exchange related to sales and purchase.

Note 23 - Cost of material and consumed

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Opening Stock	3,454.32	2,674.88
Add: Purchases (Including stores)	12,390.84	9,565.31
	15,845.16	12,240.19
Less: Closing Stock (including stores)	(3,629.85)	(3,454.32)
Total	12,215.31	8,785.87

Note 24 - Change in inventories of finished goods and Work in Progress

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Closing stock of finished goods	292.43	158.43
Closing stock of Semi-finished goods	2,470.62	1,492.43
	2,763.05	1,650.85
Less: Captive Consumption*	-	(459.21)
Opening stock of finished goods	158.43	61.31
Opening stock of Semi- finished goods	1,492.43	1,187.32
	1,650.85	789.42
Total	(1,112.20)	(861.44)

*The semi finished goods of Rs. Nil (previous year Rs. 459.21 Lakhs) has been used for Captive consumption in dies, moulds & inserts and part of plant and machinery.

Note 25 - Employee benefit expenses

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Salaries, wages and bonus	287.16	283.06
Contribution to provident and other funds	23.33	12.55
Staff welfare expenses	4.93	2.89
Total	315.42	298.49

Note 26 - Depreciation and amortization expense

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Depreciation & Dies amortize cost	219.60	236.36
Total	219.60	236.36

Note 27 - Finance Cost

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Interest on Borrowing	513.35	507.91
Others*	135.02	27.94
Total	648.37	535.85

*Including foreign exchange related to finance cost.

Note 28 - Other expenses

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Manufacturing expenses		
Power and fuel	436.89	402.39
Factory General Expenses	139.10	140.71
Labour Charges	25.92	25.15
Water Charges	2.92	4.39
Repairs & Maintenance	18.17	36.76
	622.99	609.41
Sales & Administration Expenses		
Advertisement & Sales Promotion Expenses	11.60	13.01
Communtion Cost	1.64	2.44
Rent, Rates & Taxes	22.72	16.45
Traveling & Conveyance	30.45	15.80
Printing and Stationery	0.72	0.88
Freight & Forwarding Charges	27.04	36.17
Packing Material Consumed	5.70	9.37
Legal, Professional & Technical Charges	106.66	53.31
Auditors Remuneration	9.00	9.00
General expenses	77.26	74.87
	292.78	231.30
Total	915.78	840.71
Payment to Auditor		
Audit fee	9.00	9.00
	9.00	9.00

Note 29 - Basic earnings per shares

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Profit after tax (Rs. In Lacs)	668.58	585.97
Weighted average number of shares outstanding during the year (In Lacs)	210.00	210.00
Face value per share (In Rs.)	10.00	10.00
Basic & Diluted earnings per share (In Rs.)	3.18	2.79

Note 30 - Contingent liabilities

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Letter of credit	-	130.71

Note 31 - 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, Flanges and Forged Fittings for oil & gas industry, Petrochemicals and refineries industry. Accordingly, the disclosure requirements of Ind AS 108 are not applicable.

Note 32 - Gratuity

The company operates one-defined plans, viz., gratuity Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 out of 26 days of salary for year of service. The gross obligation toward the gratuity at the end of the year on is Rs.93.50 Lacs (previous year, Rs. 86.33 Lacs).

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

	Year ended 31st March 2024 Rs. In Lacs	Year ended 31st March 2023 Rs. In Lacs
Current service cost	4.50	4.41
Past service cost and loss/(gain)	-	-
Net interest cost	6.18	5.87
Total expenses recognized in the statement of profit or loss	10.68	10.28

(ii) Other Comprehensive Income for the current period

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	1.44	(3.27)
Due to Change in Demographic assumptions	-	-
Due to experience adjustments	(0.20)	(5.86)
Benefits paid by company	(4.75)	(2.70)
Amounts recognized in Other Comprehensive Income	(3.50)	(11.83)

Defined benefit obligation are as follows:

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Liability at the beginning of the year	86.33	87.88
Interest cost	6.18	5.87
Current service cost	4.50	4.41
Due to changes in financial assumption	1.44	(3.27)
Due to changes in demographic assumption	-	-
Past service cost	-	-
Due to experience Adjustment	(0.20)	(5.86)
Benefit Paid by Company	(4.75)	(2.70)
Liability at the end of the year	93.50	86.33

The principal assumptions used in determining gratuity obligations for the company's plans are shown below:

	As at 31st March 2024
Discount rate	7.20% P.A
Salary Growth Rate	5% pa
Withdrawal Rate	10% pa at yonger ages reducing to 2% P.A at older ages
Age of retirement (years)	60

Note - 33 Leave Benefits

The benefits are governed by the companys Leave Policy. The gross obligation toward the Leave Benefit at the end of the year on is Rs. 6.90 Lacs (previous year, Rs. 6.90 Lacs).

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

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Current service cost	-	1.03
Net interest cost	-	0.47
Net value of remeasurements on the obligation and plan asset	-	(0.69)
Total expenses recognized in the statement of profit or loss	-	0.81

(ii) defined benefit obligation:

	Year ended 31st March 2024 Rs. In Lacs	Year ended 31st March 2023 Rs. In Lacs
Opening Defined Benefit Obligation	6.90	7.03
Interest cost	-	0.47
Current service cost	-	1.03
Due to changes in financial assumption	-	(0.29)
Due to changes in demographic assumption	-	-
Benefit paid	-	(0.94)
Due to experience Adjustment	-	(0.40)
Liability at the end of the year	6.90	6.90

Key Assumption used in determining obligations for the company's plans are shown below:

	As at 31st March 2024
Discount rate	7.45% P.A
Salary Growth Rate	5% pa
Withdrawal Rate	10% pa at yonger ages reducing to 2% P.A at older ages
Age of retirement (years)	60

Note 34 - Related Party Disclosure [as certified by Management]
(a) List of related parties where control exists and related with whom transactions have taken place and relationships:

Name of the Related Party	Designation	Relationship
Yuvraj Malhotra	Chairman and Managing Director (CMD)	Key Management Personnel
Sanjay Jain	Director	
Sukesh Joshi	Director	
Nikita Moradia	Director	
Prithivish Mundra	Director	
Sandeep Shah	Director	
Richa Pankaj Shah	Company Secretary	
Sidharth Jain (upto 30.06.2023)	Chief Financial Officer	
Mohak Malhotra (w.e.f. 13.07.2023)	Chief Financial Officer	
Navraj Malhotra	Relatives of CMD	
Yashika Yuvraj Malhotra	Relatives of CMD	
Diksha Malhotra	Relatives of CMD	

b) Transactions with related parties for the year ended March 31, 2024

Particulars	Key Management Personnel and their relatives	
	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Remuneration & Salary		
Navraj Malhotra	28.80	26.00
Yashika Yuvraj Malhotra	12.00	12.15
Sidharth Jain	1.60	5.89
Richa Pankaj Shah	4.20	4.96
Mohak Malhotra	12.00	-
Loans Taken:		
Yuvraj Malhotra	124.52	148.15
Diksha Malhotra	82.80	-
Yashika Malhotra	22.40	38.82
Mohak Malhotra	23.68	-
Navraj Malhotra	-	4.32
Loans Repayment:		
Yuvraj Malhotra	120.24	180.26
Diksha Malhotra	54.94	7.00
Yashika Malhotra	7.01	42.78
Mohak Malhotra	15.93	-
Navraj Malhotra	-	2.83

C) Balances with related parties as at March 31, 2024

Balance Outstanding at year end		
Yuvraj Malhotra	45.80	41.52
Diksha Malhotra	124.86	97.00
Yashika Yuvraj Malhotra	39.29	21.95
Navraj Malhotra	8.57	1.50
Mohak Malhotra	9.28	0.40
Richa Pankaj Shah	0.70	0.60

Note 35 - Imported and indigenous raw material, components and spare parts consumed

Particular	As at 31st March 2024		As at 31st March 2023	
	% of total consumption	Amount in Rs. Lacs	% of total consumption	Amount in Rs. Lacs
Imported	-	-	-	-
Indigenous	100.00	11,103.11	100.00	7,924.43
Total	100.00	11,103.11	100.00	7,924.43

Note 36 - Financial Derivative Instruments

Foreign currency exposure that are not hedge by derivative instruments as on 31st March, 2024 is USD \$ 349,563 & Euro (€) 55,250 [previous year USD \$ 1,056,502 & Euro (€) Nil]. The unhedged exposure are naturally hedged by foreign currency earnings and earnings linked to foreign currency.

Note 37 - Categories Of Financial Instruments

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Financial Assets		
Break up of financial assets carried at amortised cost:		
Trade receivables (Note 6)	3,215.53	3,502.83
Cash and cash equivalents (Note 10)	116.97	111.30
Other financial assets (Note 7)	52.41	82.67
Total financial assets carried at amortised cost	3,384.91	3,696.79
Break up of financial assets at fair value through profit or loss:		
Investments-Non-current (Note 5)	0.50	0.50
Total financial assets carried at fair value through profit or loss	0.50	0.50
Financial Liabilities		
Break up of financial liabilities carried at amortised cost:		
Non Current-Long term Borrowings (Note 14)	1,403.40	1,517.09
Current-Short term Borrowings (Note 14)	3,714.78	3,492.45
Trade payables (Note 17)	2,119.41	2,102.63
Other Current Financial Liabilities (Note 18)	289.57	278.12
Total financial liabilities carried at amortised cost	7,527.16	7,390.29

The management has assessed that the carrying values of the Financial Assets and Liabilities at amortised cost approximate their fair value largely due to their short-term maturities of these instruments.

Note 38 - Financial Risk Management Objectives And Policies

The Company's principal financial assets include trade & other receivables, and cash & cash equivalents that derives directly from its operations. The Company's principal financial liabilities comprise trade & other payables and short term borrowings. The main purpose of majority of these financial liabilities is to manage working capital of the Company.

The Company is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The below note explains the sources of risk which the Company is exposed to and how the entity manage the risk :

A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, primarily cash & cash equivalents.

i) Trade receivables

Customer credit risk is managed in accordance with the Company's established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored through credit lock and release effectively manage the exposure.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The Company does not hold any collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as most of its external customers are established players in their industry.

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered related credit information for its customer, that's available in public domain to estimate the probability of default in future and has taken into account estimates of possible effect from the global situations.

ii) Cash and Cash equivalents and Other financial assets

Credit risk from balances with banks is managed by the Board of Directors in accordance with the Company's policy. Investment of surplus funds are made for short-term in deposit with banks. Investments and Bank deposits are reviewed by the Board of Directors on a quarterly basis. Credit risk arising from short term liquid fund, cash and cash equivalents and other balances with banks is limited and no collaterals are held against these because the counterparties are banks.

Other financial assets mainly include security deposits & other receivables. There are no indications that defaults in payment obligations would occur in respect of these financial assets.

B) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to different types of market risks. For the Company, the market risk is the possibility of changes in foreign currency exchange rates and commodity prices which may affect the value of the Company's financial assets, liabilities or expected future cash flows.

i) Commodity Risk

Commodity risk for the Company is mainly related to fluctuations in steel prices which drives the prices of billet, steel bars, and tubes. Since, steel is the primary input materials for making of forging, which are used in manufacturing the final products, any fluctuation in steel prices can lead to drop in operating margin. Most of these input materials are procured from approved vendors and subject to price negotiations. In order to mitigate the risk associated with raw material and components prices, the Company manages its procurement through productivity improvements, expanding vendor base and constant pricing negotiation with vendors. The Company renegotiates the prices with its customers in case there is more than normal deviation in the prices of its major raw materials. Additionally, the processes and policies related to such risks are reviewed and controlled by senior management team.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The risk of fluctuations in foreign currency exchange rates on its financial liabilities including trade and other payables etc., which are mainly in US Dollars are mitigated through the natural hedge alignment, as Company's export sales are predominantly in US dollars and such economic exposure through trade and other receivables in US dollars provide natural alignment. Hence, a reasonable variation in the Foreign exchange rate would not have much impact on the profit or loss / equity of the Company. Net foreign currency exposure also reviewed by the Board of Directors on a quarterly basis.

Foreign currency sensitivity analysis

The Company is exposed to the currencies USD & EURO on account of outstanding receivables (+) and payables (-). The Company's net exposure to foreign currency risk at the end of the reporting period expressed in respective currencies given below;

Foreign currency exposure that are not hedge by derivative instruments as on 31st March, 2024 is USD \$ 349,563 & Euro (€) 55,250 [previous year USD \$ 1,056,502 & Euro (€) Nil]. The unhedged exposure are naturally hedged by foreign currency earnings and earnings linked to foreign currency.

C) Liquidity risk

Liquidity risk is defined as a risk that the Company will not be able to meet its obligations on time or at a reasonable price. An effective liquidity risk management takes into consideration in maintaining optimum level of cash and cash equivalents and the availability of funding through an credit facilities at a reasonable cost to meet the obligation when due. Additionally, the processes and policies related to such risks are reviewed and controlled by senior management team. Management continuously reviews the actual cash flows and forecasts the expected cash flows to monitor the liquidity position. All the current financial liabilities of the Company are due to be paid with in twelve months from the date from the Balance sheet date. All non-current financial liabilities are due to be paid in more than twelve months from the Balance sheet date. However the interest component of all the non-current financial liabilities if any will be payable as and when due, which may be with in twelve months from the date of Balance sheet date.

Fair values
i) Class wise fair value of the Company's financial instruments:

	As at 31st March 2024 Rs. In Lacs	As at 31st March 2023 Rs. In Lacs
Investments (unquoted) in Equity shares	0.50	0.50

ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2024:			
Assets measured at fair value:			
Investment in equity shares	-	-	0.50
Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2023:			
Assets measured at fair value:			
Investment in equity shares	-	-	0.50

a) The Company has determined the carrying value of the investment as its fair value in the absence of any available fair value for its non-current investment which is carried at cost.

Note 39 - Ratio

	March 31, 2024	March 31, 2023	Variance In %
	₹ in Lakhs	₹ in Lakhs	
Current Ratio	1.90	1.88	0.90
Debt-Equity Ratio	0.53	0.58	8.47
Debt Service Coverage Ratio	1.99	1.50	(32.71)
Return on Equity (ROE)	31.84%	27.90%	3.93
Trade Receivables Turnover Ratio	4.29	2.99	43.48
Trade Payables Turnover Ratio	5.85	4.55	28.51
Net Capital Turnover Ratio	2.21	1.85	19.65
Net Profit Ratio	4.84%	5.59%	13.37
Return on Capital Employed (ROCE)	0.12	0.12	5.54

Note 40 - Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Dues to micro and small enterprises as defined under MSMED Act, 2006, the company has not made interest provision on late payment to creditors, due to the negotiation on the accepted date, under the said act as per the applicable provisions of the law in respect to the extent of such parties have been identified on the basis of information collected by the Management. Further the company has not received intimation from every "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

Note 41 - Deferred taxes

Deferred tax is calculated in temporary differences between accounting and tax values as well as any tax losses carried forward at the year-end. Net deferred tax assets are recognized only to the extent that it is probable they will be utilized against future taxable profits.

Note 42 - Out of the total debtors of Rs. 3215.53 Lakhs as at March 31, 2024, Rs.500.48 Lakhs has more than one year at the year end. For this the management is in discussion with these debtors to expedite the recoverability of the above aforesaid outstanding amounts and believes that the entire amount is fully recoverable. In view of the forgoing, no provision is considered necessary in these financial statements in this regard.

Note 43 - Other Statutory Information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- The Company does not have any transactions with struck off companies.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority
- The Company has complied with the number of layers prescribed under the Companies Act, 2013.

Note 44 - The balance appearing under the head Trade receivable, trade payable, loans & advances and outstanding balance are subject to confirmation and reconciliation and consequent adjustment, if any, will be accounted for in the year of confirmation and / or reconciliation. However, the Management does not expect any material variation in the financial results.

Note 45 - The figures for the corresponding previous year have been regrouped/ reclassified wherever necessary, to make them comparable.

As per our report of even date
For: Anil Bansal & Associates
Chartered Accountants
Firm registration number:100421W

Anil Bansal
Partner
Membership no. 043918

Place : Mumbai
Date : 30-05-2024

For and on Behalf of Board of
Hilton Metal Forging Limited

Yuvraj Malhotra
Chairman/Managing Director
(DIN-00225156)

Richa Pankaj Shah
Company Secretary
(DERPS1049D)

Mohak Malhotra
CFO
(DIQPM6990E)



HILTON METAL FORGING LIMITED
CIN: L28900MH2005PLC154986**Notes to the Financial Statement for the year ended March 31, 2024****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 510 Western Edge II, Magathane, Borivali East, Mumbai - 400 066, 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 – Significant accounting policies:**a) Statement of compliance:**

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

b) Basis of preparation of financial statements

These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

- 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.

c) Use of estimates and judgments

- i. The preparation of the financial statements in conformity with Ind AS requires Management to make Judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, revenue and expenses, disclosure of contingent liabilities as at the date of the financial statements Such assumptions are based on management's evaluation of relevant facts and circumstances as on date of financial statements. The actual out-come may diverge from these estimates.
- ii. Estimates and assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period effect.

d) 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 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.

e) 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 restrict 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	Up to 60years	60years
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

f) 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.

g) 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.

h) 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 or 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 the earlier as well as current financial years.

i) 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.

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.

j) 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.

k) 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.

1) 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.

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.

m) 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.

n) 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:

- i. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- ii. 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.

o) 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.

p) Financial assets**i. 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.

ii) 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.

iii) Classification of financial assets

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.

q) 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;

(a) 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.

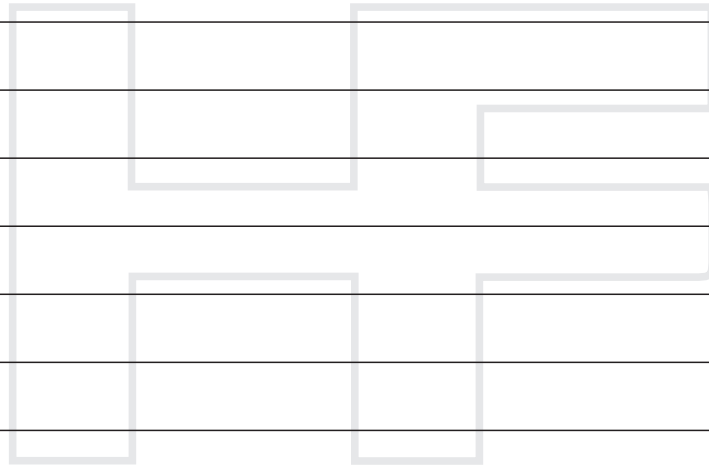
(b) Financial liabilities at FVTPL

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

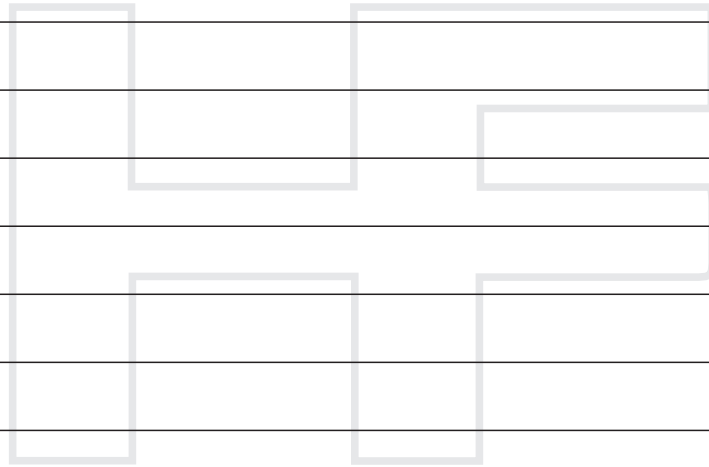
(c) De-recognition of financial liabilities

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

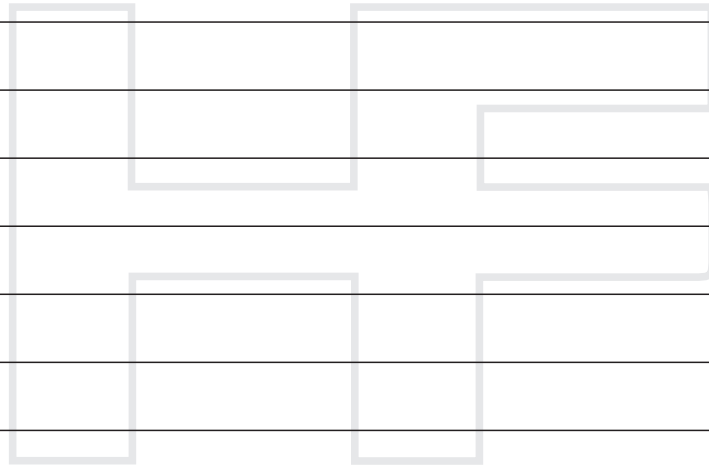
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