



HILTON
METAL FORGING LTD.



**MANUFACTURER
OF FORGED
ENGINEERING
COMPONENTS**



ANNUAL REPORT 2025-26

Corporate Information

BOARD OF DIRECTORS

Shri Yuvraj Malhotra
Shri Amit Pathak
Shri Rakesh Khajuria
Smt Himanshi Mota
Shri Suryakant Mayani
Shri Vishal Jain

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

STAUTORY 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, Kiroli Road,
Ghatkopar West, Mumbai -400086

REGISTRAR & SHARE TRANSFER AGENT

MUFG Intime India Private Limited
(Formerly known as Link Intime India Private Limited)
C-101, 247 Park, LBS Marg,
Surya Nagar,
Vikhroli West,
Mumbai -400083

INTERNAL AUDITORS

M/s. Paresh Kapasi & Associates
Chartered Accountants
Bungalow No 40,
Jansukh Niwas,
Kasturba Road, Kandivali (West),
Mumbai - 400067

REGISTERED OFFICE

303, Tanishka Commercial Co-op. Society Ltd
Akurli Road, Kandivali East,
Magathane, Borivali (E),
Mumbai-400101 Dist Thane- 421312

PLANT LOCATION

Plot No 28, 29
Shah and Mehta Industrial Estate,
Village Ghonsai, Taluka Wada,

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Chairman & Managing Director's Message

Dear Shareholders,

It gives me immense pleasure to share with you our perspective on the evolving opportunities before **Hilton Metal Forging Limited** and the significant potential that lies ahead for the Company. The global manufacturing landscape is undergoing a structural transformation, with increasing emphasis on supply-chain diversification, localisation, infrastructure development, energy security and strategic manufacturing capabilities. These developments are creating attractive opportunities for the forging industry, and we believe Hilton is well positioned to participate meaningfully in this growth.

The forging industry continues to remain a critical component of several core sectors of the global economy. Forged products are valued for their strength, durability, reliability and ability to perform under demanding operating conditions. With increasing investments in infrastructure, transportation, defence, energy and industrial manufacturing, the long-term demand outlook for high-quality forged components remains encouraging.

Expanding Opportunities in the Railway Sector

The railway sector represents one of the most promising growth opportunities for the Company. Governments and railway authorities across various geographies are undertaking significant investments in railway infrastructure, modernisation, freight corridors, high-speed and semi-high-speed rail networks, as well as replacement and expansion of rolling-stock fleets.

Within this sector, **forged railway wheels and wheel-set assemblies** represent a significant opportunity for Hilton. The Company has already established its capabilities and execution track record in this segment.

It is pertinent to highlight that **Hilton has supplied more than 2,500 railway wheels, which are currently in service/on track**, demonstrating the reliability and acceptance of our products. Further, the Company has **orders in hand and a healthy order pipeline for the near future**, providing us with visibility for continued growth in this segment.

Our objective is not merely to participate in the railway-wheel market but to progressively strengthen our position as a reliable and quality-focused supplier of forged railway wheels and wheel-set assemblies. The experience gained through existing supplies provides a strong foundation for scaling up this business.

Defence Sector – A Strategic Growth Opportunity

The defence sector presents another strategically important opportunity for the Company. India's increasing focus on **indigenisation and the development of domestic defence manufacturing capabilities** is creating opportunities for qualified Indian manufacturers across the defence supply chain.

Hilton is evaluating opportunities in the manufacture and supply of **forged empty artillery shells and other precision-forged defence components**. Forging plays a vital role in defence applications where strength, dimensional accuracy, consistency and reliability are critical.

We believe our existing forging expertise, manufacturing capabilities and quality orientation can provide a strong platform to address the requirements of this strategically important sector. Participation in defence manufacturing could also enable the Company to diversify its customer base and create additional avenues for sustainable, higher-value business.

Energy Sector – Turbine Components

The global transition towards reliable and efficient energy infrastructure is creating substantial opportunities for engineering and forging companies. Investments in power generation, renewable energy, gas-based generation and other energy infrastructure are expected to support demand for critical forged components.

The Company sees an attractive opportunity in the **manufacture and supply of forged turbine blades and other critical turbine components** for the energy sector. Such products require stringent quality standards, metallurgical expertise and precision manufacturing capabilities.

Entry and expansion in this segment would enable Hilton to move further towards **higher-value-added and technically demanding products**, thereby strengthening the quality of our product mix and creating potential for improved realisations and margins over the medium to long term.

Global Demand for Forged Pipe Fittings

Another important opportunity for the Company lies in the global market for forged pipe fittings. Forged fittings are extensively used across oil & gas, petrochemicals, power generation, industrial processing, chemical, engineering and infrastructure applications.

Worldwide demand for forged pipe fittings continues to be supported by investments in energy infrastructure, replacement of ageing industrial assets, expansion of process industries and the development of new manufacturing capacities.

Hilton has established capabilities in the forged pipe fittings segment and sees significant potential to expand its international customer base. Our focus remains on increasing exports to quality-conscious markets while maintaining stringent standards relating to product quality, delivery and customer service.

We believe that an increased contribution from **value-added forged pipe fitting products, specialised components and export markets** can have a favourable impact on the Company's product mix. Export-oriented and technically demanding products generally provide opportunities for better realisations, and a higher share of such products can contribute to improved gross margins and operating margins, subject of course to raw-material prices, energy costs, freight, foreign exchange movements and overall market conditions.

Stronger Export Opportunities

The international market remains an important pillar of our growth strategy. We are witnessing encouraging opportunities from customers in developed markets, particularly in the United States and Europe, where customers continue to seek reliable and technically capable suppliers with consistent quality and competitive manufacturing capabilities.

I am pleased to inform you that Hilton has significant orders from customers based in the **United States and Europe for the supply of forged products**, providing a strong platform for strengthening our export business.

Our international strategy is focused on building long-term customer relationships rather than pursuing volumes alone. We intend to increasingly focus on products where Hilton can command better value through quality, engineering capability, reliability and customer-specific requirements.

Focus on Value Addition and Margins

While growth in volumes remains important, our strategic focus is increasingly shifting towards **value addition, product diversification and improvement in the overall quality of our business mix**.

The opportunities in railway wheels and wheel-set assemblies, defence components, turbine components and specialised forged pipe fittings provide the Company with an opportunity to progressively increase its presence in higher-value-added applications.

A greater contribution from such products, particularly specialised and export-oriented products, can potentially improve the Company's **realisation per tonne, capacity utilisation and operating margins**. At the same time, we remain conscious of the volatility associated with steel prices, energy costs, logistics, foreign exchange and global economic conditions. Accordingly, our approach will remain disciplined, with emphasis on profitable growth, working-capital efficiency and prudent financial management.

Building on Our Existing Capabilities

One of Hilton's key strengths is the experience and technical knowledge accumulated over the years in the forging industry. We intend to leverage this foundation to progressively expand into sectors where product quality, manufacturing expertise and reliability are valued.

Our strategy is therefore centred around four key objectives:

1. **Diversification** – Expanding our presence across railways, defence, energy and industrial applications.
2. **Value Addition** – Increasing the share of technically demanding and higher-value-added forged products.
3. **Exports** – Deepening our presence in the United States, Europe and other international markets.
4. **Sustainable Margins** – Improving product mix, capacity utilisation and operational efficiency to support healthier and more sustainable margins.

Looking Ahead

We remain optimistic about the medium- to long-term prospects of the forging industry and, more importantly, about Hilton's ability to capitalise on the opportunities emerging across multiple sectors.

The fact that **more than 2,500 Hilton railway wheels are already on track**, coupled with orders in hand and a developing pipeline, provides encouraging evidence of our capabilities in a technically demanding segment. Our significant export orders from customers in the United States and Europe further reinforce the confidence that our customers place in our products and manufacturing capabilities.

As we move forward, our endeavour will be to transform these opportunities into **sustainable revenue growth, improved profitability and long-term value creation for our shareholders**. We will remain focused on strengthening our balance sheet, improving operational efficiencies, increasing the contribution of value-added products and building enduring relationships with customers in India and overseas.



I would like to take this opportunity to express my sincere appreciation to our shareholders, customers, bankers, suppliers, employees and all other stakeholders for their continued trust and support.

The road ahead is promising, and we are confident that Hilton Metal Forging Limited is well placed to participate in the next phase of growth in the global forging industry.

With warm regards,

Yuvraj Malhotra

Chairman & Managing Director
Hilton Metal Forging Limited

Message from the Chief Financial Officer

Dear Shareholders,

As Hilton Metal Forging Limited enters its next phase of growth, our focus is firmly on **profitable growth, stronger cash flows, disciplined capital allocation and sustainable shareholder value**.

The performance of FY 2024, FY 2025 and FY 2026 reflects the impact of changing product mix, market conditions, working-capital requirements and investments made to pursue new opportunities. Going forward, our objective is to improve the quality of revenue and profitability, rather than pursuing topline growth alone.

Financial Performance and Outlook

From an investor perspective, the Company's financial performance reflects an important transition from revenue expansion towards **profitable and sustainable growth**.

During FY 2025, Hilton Metal Forging recorded total revenue of approximately ₹ **163.05 crore**, compared with ₹ 138.07 crore in FY 2024. In FY 2026, revenue increased substantially to approximately ₹ **230.37 crore**, representing growth of nearly **41% year-on-year**.

However, PAT in FY 2026 was approximately ₹ **3.45 crore**, compared with ₹ 6.18 crore in FY 2025. This indicates that while the Company achieved significant topline growth, profitability was affected by the cost structure, product mix and financing costs. The key priority now is therefore to **convert the strong revenue growth into higher margins and stronger cash generation**.

The performance in Q1 FY 2026-27 provides encouraging evidence of this transition. Total revenue increased to approximately ₹ 59.27 crore, compared with ₹ 22.43 crore in Q1 FY 2025-26, a growth of approximately 164%. More importantly, net profit increased to approximately ₹ **1.81 crore** from ₹ **0.15 crore**, representing a substantial improvement in profitability. Operating profit also increased to approximately ₹ 4.09 crore from ₹ 1.88 crore.

This improvement demonstrates the potential operating leverage available to the Company as volumes increase. Going forward, the focus will be on **improving the revenue mix, increasing exports, expanding higher-value railway, defence and energy products, implementing Six Sigma-led efficiencies and controlling finance and operating costs**.

The proposed capital raising through the two Rights Issues, together with an appropriate debt-equity mix, is expected to

provide the financial flexibility required to support growth while strengthening the balance sheet.

Our objective is therefore clear: **grow revenues, improve margins, strengthen cash flows and increase return on capital**.

With increasing export opportunities, demand for forged pipe fittings and specialised forgings, railway wheel and wheel-set opportunities, defence and energy applications, Hilton is well positioned to pursue the next phase of growth.

The management remains committed to ensuring that this growth translates **into sustainable profitability and long-term value creation for shareholders and all stakeholders**.

Optimising the Revenue Mix

We are strategically diversifying our revenue base across railways, defence, energy, oil & gas, industrial forgings and exports. Higher-value-added products are expected to contribute a larger share of revenue, creating opportunities for improved realisations and margins.

The railway business remains particularly promising, with the Company having supplied more than **2,500 railway wheels and having orders in hand**. Opportunities in **forged railway wheels and wheel-set assemblies, defence components including empty artillery shells**, and energy-sector products such as turbine components provide significant avenues for future growth.

Expanding Global Opportunities

The global demand for **forged pipe fittings and specialised forgings** presents a substantial export opportunity. Increasing our international presence will enable better capacity utilisation, customer diversification and access to higher-value markets, with the potential to positively influence margins.

Strengthening the Balance Sheet

The proposed **two Rights Issues** are an important part of our strategy to strengthen the Company's capital base, support working capital and growth requirements, and provide greater financial flexibility.

Our objective is to maintain an **adequate and sustainable debt-equity mix**, ensuring that growth is supported by a healthy balance sheet without placing undue pressure on cash flows. Capital allocation will remain disciplined, with emphasis on returns and long-term value creation.



Six Sigma and Operational Excellence

We are also introducing **Six Sigma and structured process-improvement practices** to reduce wastage, improve productivity, strengthen quality and optimise costs.

These initiatives, together with stronger policies covering procurement, inventory, working capital, quality, risk management, internal controls and corporate governance, are aimed at creating a more efficient and transparent organisation.

Focus on Margin Expansion

Our financial objective is clear: **improve EBITDA and PAT margins through better product mix, export growth,**

higher capacity utilisation, operational efficiencies, procurement optimisation and Six Sigma-led cost reduction.

We believe the combination of **revenue diversification, higher-value products, export growth, balance-sheet strengthening and operational excellence** can position Hilton Metal Forging for sustainable growth and improved profitability.

We remain committed to prudent financial management and to creating long-term value for our **shareholders, customers, bankers, employees, suppliers and all other stakeholders.**

With warm regards,

Mohak Malhotra

Chief Financial Officer
Hilton Metal Forging Limited

Directors' Report

To,
The Members
Hilton Metal Forging Limited

Your Directors have pleasure in presenting the 21st Annual Report together with the Audited Financial Statements for the Financial Year (FY) ended 31st March, 2026.

1. FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	FY 2025-26	FY 2024-25
Total Income	23,201.10	16,822.35
Total Expenses	22,831.83	16,212.58
Profit Before Tax	369.27	609.77
Provision for Tax	24.66	(7.86)
Profit After Tax	344.61	617.63

2. COMPANY'S PERFORMANCE REVIEW

During the year under review, the total turnover of the Company increased to ₹ 23,037.41 Lakhs (PY: 16,304.73 ₹ Lakhs). During the year under review, Profit after Tax (PAT) was recorded at ₹ 344.61 Lakhs (PY: ₹ 617.63 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 2025-26.

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 FINANCIAL 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").

As on 31st March 2026, the Company's Board comprises of six Directors. The Board has an appropriate mix of Executive, Non-Executive, and Independent Directors, in compliance with requirements of the Act and the SEBI Listing Regulations. This composition is also aligned with best practices of Corporate Governance.

Retirement by rotation at the ensuing 21st AGM

In terms of provisions of the Act, Mr. Vishal Jain (DIN: 09512854), Non-Executive and Non-Independent Director of the Company, will retire by rotation at the ensuing 21st 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 21st Annual General Meeting.

Appointment/Re-appointment of Directors

Upon the recommendation and approval of the Board of Directors of the Company and in terms of the provisions of the Act, Mr. Suryakant Mayani (DIN: 10764276), who retired by rotation at the 20th Annual General Meeting of the Company held on 26th September, 2025, was re-appointed by the members as a Non-Executive, Non-Independent Director of the Company in accordance with the provisions of section 152(6) of the Companies Act, 2013.

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 Personnels of the Company as on 31st March 2026.

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 Fifteen Board Meetings and a separate meeting of Independent Directors. The details of meetings 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/wpcontent/uploads/2016/09/Remuneration_Policy_For_The_Members_of_Board_AND_Executive_Management.pdf

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/wp-content/uploads/2016/09/Whistle_Blower_Policy.pdf

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, 2026 and confirm that:

- a. In the preparation of the annual accounts, for financial year 2025-26, 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/wp-content/uploads/2022/12/5B-Code-Hilton.pdf>

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 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 ₹ 500 crore or more, or a turnover of ₹ 1000 crores or more or net profit of ₹ 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 ₹ 5 crores or more during the immediately preceding financial year i.e. during FY 2024-25.

As a part of its initiative under the CSR drive, the Company has undertaken projects in accordance with Schedule VII of the Act and the Company's CSR Policy. The CSR Policy is available on the Company's website at <https://www.hiltonmetal.com/csr-policy/>. The Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed and marked as Annexure - I which forms integral part of this Report.

16. REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance as stipulated under Listing Regulations forms an integral part of this Annual Report. Certificate from Practising Company Secretary 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, 2026 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. In view of the above, the Board had appointed Mr. Ritesh N Talati of M/s. V. J Talati & Co., Cost Accountants, as the Cost Auditor of the Company to conduct the Cost Audit for the Financial year 2025-26.

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 2025-26. Mr. Ritesh N. Talati, being eligible, has consented to act as the Cost Auditors of the Company for the financial year 2026-27. 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 21st 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) (COP No.: 15859) for Conducting Secretarial Audit of the Company for the financial year ended on 31st March, 2026, and has been appointed as the Secretarial Auditor for a Consecutive term of five years from the FY 2025-26 till FY 2029-30, at a remuneration as may be decided by the Board of Directors from time to time in consultation with the Secretarial Auditor of the Company.

The Secretarial Audit Report for the financial year ended 31st March, 2026 is annexed herewith and marked as '**Annexure II**' to this Report. In the Report, the Secretarial Auditor has observed the following:

Delayed filing of following e-Forms after payment of additional fees:

- (a) e-Form MGT-14 vide SRN AB8587227 on 27th October 2025 for registering member resolutions passed at 20th Annual General Meeting;
- (b) e-Form MGT-15 vide SRN AB9171564 on 25th November 2025 for registering report on 20th Annual General Meeting;
- (c) e-Form MGT-14 vide SRN AC2351784 on 18th February 2026 for registering the resolution passed to increase Authorised Share Capital and subsequent alteration to the Memorandum of Association; and
- (d) e-Form SH-7 vide SRN AC2352144 on 18th February 2026 for registering increase in Authorised Share Capital

Directors Comments: The Company inadvertently missed out on tracking the due dates and on realizing the same, filed the said e-Forms immediately with delay.

Annual Secretarial Compliance Report

The Annual Secretarial Compliance Report for the Financial Year 2025-26 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 III**' 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. Paresb 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 internal audit report, 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 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 2026 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:

Listing of Equity Shares allotted upon conversion of Share Warrants and partial forfeiture of Share Warrants due to non-exercise of conversion option

The Company had allotted 27,00,000 (Twenty Seven Lakhs) Convertible Share Warrants on a preferential basis on 4th April 2023 pursuant to the shareholders' approval accorded as on 13th September 2022 and in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations.

During the financial year under review,

- a. 13,50,000 (Thirteen Lakh Fifty Thousand) equity shares which were issued and allotted upon conversion of such Convertible Share Warrants in FY 2024-25, were listed and admitted to trading on the Stock Exchange(s) with effect from 13th June 2025; and
- b. 3,00,000 (Three Lakh) Share Warrants allotted in FY 2024-25, were forfeited on 3rd April 2025 due to non-exercise of the conversion option by the allottee, within the prescribed period of 18 months from the date of allotment, in accordance with the terms of issue and the applicable regulatory provisions.

Increase in Authorized Share Capital

During the financial year under review, the Authorized Share Capital of the Company was increased twice, after obtaining the requisite approvals of the Board of Directors and the shareholders, as appended below:

- a. Increase from ₹ 35,00,00,000/- divided into 3,50,00,000 equity shares of face value of ₹ 10/- each upto Rupee Foradian 55,00,00,000/- divided into 5,50,00,000 equity shares of F face value of ₹ 10/- each, as approved by the shareholders

at their Extra Ordinary General Meeting on 2nd December 2025; and

- b. Increase from ₹ 55,00,00,000/- divided into 5,50,00,000 equity shares of face value of ₹ 10/- each upto ₹ 85,00,00,000/- divided into 8,50,00,000 equity shares of face value of ₹ 10/- each as approved by the shareholders at their Extra Ordinary General Meeting on 26th March 2026.

Shareholders' Approval to issue of Securities through Qualified Institutions Placement (QIP)

During the financial year under review, the members of the Company, at their Extraordinary General Meeting held on 21st April 2025, accorded their approval, by way of a Special Resolution, to raise funds through a Qualified Institutions Placement (QIP) by creating, offering, issuing and allotting up to 90,00,000 (Ninety Lakh Only) equity shares of the Company of face value 10/- each, in accordance with the applicable provisions of the Companies Act, 2013, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, and other applicable laws. However, the Company did not proceed with QIP pursuant to the said approval, and consequently, no equity shares or other eligible securities were issued under the said approval during the financial year.

Issue of Equity Shares on Rights basis

During the financial year under review,

- a. Issued and allotted 1,12,96,551 (One Crore Twelve Lakh Ninety Six Thousand Five Hundred Fifty One) Equity Shares of face value of ₹ 10/- each at a premium of ₹ 18.32/- per share (Issue Price of ₹ 28.32/- per share) on Rights basis on 14th January 2026, aggregating to an amount of ₹ 31,99,18,324.32/- (Rupees Thirty-One Crore Ninety-Nine Lakh Eighteen Thousand Three Hundred Twenty-Four and Paise Thirty-Two Only); and
- b. the Board of Directors at their meeting held on 4th February 2026, approved second issue of equity shares on Rights basis, aggregating to an amount upto ₹ 28,00,00,000 (Rupees Twenty-Eight crore only).

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

During the FY under review, the Company has not 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-IV”.

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, 2026 and are attached to this Report and marked as “Annexure V”.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Management Personnel) Rules, 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, 2026, the Company has not received any complaints of sexual harassment.

The following is a summary of sexual harassment complaints received and disposed of during the year:

- (a) Number of complaints pending at the beginning of the year: Nil

- (b) Number of complaints received during the year: Nil
- (c) Number of complaints disposed off during the year: Nil
- (d) Number of cases pending for more than 90 days: Nil
- (e) Number of cases pending at the end of the year: Nil

25. COMPLIANCE ON MATERNITY BENEFIT ACT, 1961

The Company has complied with the applicable provisions of Maternity Benefit Act, 1961 for female employees of the Company with respect to leaves and maternity benefits thereunder.

26. 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 is any proceeding pending against the company under IBC, 2016.

27. 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 in any One-Time Settlement with Banks or Financial Institutions, furnishing details in this regard, is not applicable.

28. 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.

29. 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.



30. COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has complied with all the applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

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

31. 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,

Place: Mumbai
Date: 29th May 2026

Yuvraj Malhotra
Chairman & Managing Director
DIN: 00225156

Annexure I

1. A brief outline of the Company's CSR Policy, including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmers':

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013. CSR Policy is aimed at demonstrating care for the community through its focus on education & skill development, eradicating hunger, poverty & malnutrition, health & wellness and environment sustainability including biodiversity, energy & water conservation. The projects undertaken by the Company are within the broad framework of schedule VII of the Companies Act, 2013.

The Terms of Reference of the Committee are as follows:-

- To frame the CSR Policy and its review from time-to-time.
- To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
- To ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

2. The details of Composition of the CSR Committee:

Pursuant to Section 135 of the Companies Act, 2013 amended vide Companies (Amendment) Act, 2020 dated 28th September, 2020, the requirement for constitution of the Corporate Social Responsibility Committee (CSR Committee) is not applicable since the amount to be spent (CSR expenditure obligation) by your company during Financial Year 2025-26 does not exceed INR Fifty Lakhs.

In this case, the functions of CSR Committee were discharged by the Board of Directors of your Company.

3. Web-link where composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company:

Details	Web- Links
Composition of CSR committee	NA
CSR Policy	https://www.hiltonmetal.com/wp-content/uploads/2025/07/Corporate-Social-Responsibility-Policy_Hilton.pdf
CSR projects	https://www.hiltonmetal.com/csr-policy/

4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if Applicable- Not Applicable**5. Details of the amount available for set off in pursuance of Sub-Rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

S. No.	Financial Year	Amount available for set-off (₹ in Lakhs)	Amount set-off in the financial year, if any (₹ in Lakhs)	Balance Amount (₹ in Lakhs)
1	FY-1 (31-03-2025)	1.07	1.07	0
2	FY-2 (31-03-2024)	0	0	0
3	FY-3 (31-03-2023)	0	0	0
	Total	1.07	1.07	0

6. Average net Profits for last three years: ₹ 703.45 Lakhs

- Two percent of average net profit of the company as per section 135(5) : ₹ 14.00 Lakhs
- Surplus arising out of the CSR projects or programmes or activities of the previous financial year : Nil
- Amount required to be set off for the financial year, if any : ₹ 1.07 Lakhs
- Total CSR obligation for the financial year (7a+7b-7c) : ₹ 12.93 Lakhs

8. (a) The CSR amount spent or unspent for the financial year by the Company:

Total Amount Spent for the Financial Year	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer
₹ 14.19 Lakhs	-	-	-	-	-

- (b) Details of CSR amount spent against ongoing projects for the financial year: Nil

- (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area	Location of the project		Amount spent for the project (₹ in Lakhs)	Mode of implementation Direct	Mode of implementation Through implementing agency	
				State	District			Name	CSR Registration number
1.	Sponsoring Hearing aids for specially abled patients	Promoting Healthcare	YES	Maharashtra	Mumbai	2.17	NO	Cancer Foundation	CSR00026600
2.	Setting health camps for weaker section of the society	Eradicating Hunger, Poverty, Malnutrition, promoting healthcare including preventive healthcare	YES	Maharashtra	Mumbai	12.02	NO	Heet Social Welfare Foundation	CSR00043732
						14.19			

- (d) Amount spent in Administrative Overheads – NIL

- (e) Amount spent on Impact Assessment, if applicable - NIL

- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ 14.19 Lakhs

- (g) The details of the amount available for set off for the financial year, if any

Sl. No.	Particulars	(₹ in lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	12.93
(ii)	Total amount spent for the Financial Year	14.19
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.26
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.26

- 9 (a) Details of Unspent CSR amount for the preceding three financial years: Nil

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the Asset so created or acquired through CSR spent in the financial year: Not applicable

11. Reason(s), if the company has failed to spend two per cent of the average net profit as Per Section 135(5): Not Applicable

For and on behalf of the Board

Yuvraj Malhotra

Chairman & Managing Director

DIN: 00225156

Date: 29th May, 2026

Place: Mumbai



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026

[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, 2026. 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, 2026, 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, 2026, 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");
 - (e) 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; and
 - (f) 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 and Sweat Equity) Regulations, 2021;
 - (ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
 - (iv) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 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 delayed filing of following e-Forms after payment of additional fees:

- (a) e-Form MGT-14 vide SRN AB8587227 on 27th October 2025 for registering member resolutions assed at 20th Annual General Meeting;
- (b) e-Form MGT-15 vide SRN AB9171564 on 25th November 2025 for registering report on 20th Annual General Meeting;
- (c) e-Form MGT-14 vide SRN AC2351784 on 18th February 2026 for registering the resolution passed to increase Authorised Share Capital and subsequent alteration to the Memorandum of Association; and
- (d) e-Form SH-7 vide SRN AC2352144 on 18th February 2026 for registering increase in Authorised Share Capital

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. No changes in the composition of the Board of Directors took place during the period under review.
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 below:

- a. 13,50,000 (Thirteen Lakh Fifty Thousand) equity shares which were issued and allotted upon conversion of Convertible Share Warrants in FY 2024-25, were listed and admitted to trading on the Stock Exchange(s) with effect from 13th June 2025;
- b. 3,00,000 (Three Lakh) Convertible Share Warrants allotted in FY 2024-25, were forfeited on 3rd April 2025 due to non-exercise of the conversion option by the allottee, within the prescribed period of 18 months from the date of allotment, in accordance with the terms of issue and the applicable regulatory provisions;
- c. Increase in the Authorized Share Capital of the Company from ₹ 35,00,00,000/- divided



into 3,50,00,000 equity shares of face value of ₹ 10/- each upto ₹ 55,00,00,000/- divided into 5,50,00,000 equity shares of face value of ₹ 10/- each, as approved by the shareholders at their Extra Ordinary General Meeting on 2nd December 2025;

- d. Issued and allotted 1,12,96,551 (One Crore Twelve Lakh Ninety Six Thousand Five Hundred Fifty One) Equity Shares of face value of ₹ 10/- each at a premium of ₹ 18.32/- per share (Issue Price of ₹ 28.32/- per share) on Rights basis on 14th January 2026, aggregating to an amount

of ₹ 31,99,18,324.32/- (Rupees Thirty-One Crore Ninety-Nine Lakh Eighteen Thousand Three Hundred Twenty-Four and Paise Thirty-Two Only); and

- e. Increase in the Authorized Share Capital of the Company from ₹ 55,00,00,000/- divided into 5,50,00,000 equity shares of face value of ₹ 10/- each upto ₹ 85,00,00,000/- divided into 8,50,00,000 equity shares of face value of ₹ 10/- each as approved by the shareholders at their Extra Ordinary General Meeting on 26th March 2026.

Date: 29th May 2026

Place: Mumbai

SHREYA SHAH

Practising Company Secretary

Mem No. A39409/CoP: 15859

UDIN: A039409H000527534

Peer Review Certificate No.: 1696/2022

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.

SHREYA SHAH

Practising Company Secretary

Mem No. A39409/CoP: 15859

UDIN: A039409H000527534

Peer Review Certificate No.: 1696/2022

Date: 29th May 2026

Place: Mumbai



Secretarial Compliance Report of

HILTON METAL FORGING LIMITED

(CIN: L28900MH2005PLC154986)

for the year ended 31st March, 2026

[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 303, Tanishka Commercial Co-Op Society Ltd, Akruli Road, Kandivali (East), Mumbai – 400101. 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, 2026 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
- (a) any other document/filing, as may be relevant, which has been relied upon to make this report,

for the financial year ended 31st March, 2026 ("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, 2026 under review:

- (a) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (b) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
- (c) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- (d) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021

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
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NIL

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations/ Remarks of the Practicing Company Secretary in the previous reports)	Observations made in the Secretarial Compliance report for the year ended	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Details of Violation/ Deviations	Actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
1	For the period from 27th September 2024 to 18th October 2024, the total number of Directors on the Board were Seven (7). Hence, according to the said regulation, the total number of Independent Directors on the Board should have been Four (4), being one-half of the total number of Directors. However, the actual number of Independent Directors on the Board were only Three (3). On receipt of SOP Notices from the BSE and NSE in this regard, the requisite fine amount was paid on 2nd December, 2024 and 15th April, 2025 respectively for both SoP notices to each of the exchanges.	31st March 2025	Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Non-compliance with Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for not having at least half of the Board of Directors as Independent Directors, in case of Executive Chairperson	BSE vide its SOP Notice No. SOP-CReview/Sep 24-Q dated 21st November, 2025 BSE vide its SOP Notice No. SOP-CReview/Dec 24-Q dated 17th March, 2025 NSE vide SOP Notice No. NSE/ LIST-SOP/COMB/ FINES/1340 dated 21st November 2025 NSE vide SOP Notice No. NSE/ LIST-SOP/COMB/ FINES/0307 dated 17th March, 2025	On receipt of SOP Notices from the BSE and NSE in this regard, the requisite fine amount was paid on 2nd December, 2024 and 15th April, 2025 respectively for both SoP notices to each of the exchanges	No further action is required in this regard
2	Mr. Rakesh Garg one of the non-promoter allottee to the 5,00,000 equity shares pursuant to conversion of warrants issued on preferential basis had dealt in the equity shares of the Company during November 2022 (Purchase) and June 2023 (Sale), resulting in non-compliance of said regulation. On receipt of Query from NSE while applying for Listing of 5,00,000 equity shares allotted pursuant to conversion of warrants issued on preferential basis to Mr. Rakesh Garg, the Company applied for waiver request to exempt the Non-Compliance of SEBI ICDR Regulations and seek permission for Listing of Equity Shares on 4th January, 2025. Further, in the said waiver application, the Company mentioned about the allottee's readiness to disgorge the profits of ₹ 2,16,30,478/- to NSE Investor Education Protection Fund ("NSE IEPF").	31st March 2025	Regulation 167(6) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018	No lock-in was imposed on pre-preferential holding of the allottees to the 5,00,000 equity shares allotted pursuant to conversion of warrants issued on preferential basis pursuant to Regulation 167(6) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.	Clarification sought vide: NSE Letters Ref: NSE/ LIST/44675 a. dated 18th October 2024; b. dated 29th October 2024; c. dated 6th November 2024 d. dated 29th November 2024 and e. dated 16th December 2024	No further action is required in this regard	No further action is required in this regard

Sr. No.	Observations/ Remarks of the Practicing Company Secretary in the previous reports)	Observations made in the Secretarial Compliance report for the year ended	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Details of Violation/ Deviations	Actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
2	NSE vide its letter dated 11th February, 2025 and 25th February, 2025 granted Listing Approval and Trading Approval respectively to such 5,00,000 equity shares allotted to Mr. Rakesh Garg pursuant to conversion of warrants issued on preferential basis. No further communication was received from NSE on this matter during the review period						
3	Soham World A Real Growth Limited ("Soham"), one of the non-promoter allottees to the 1,00,000 equity shares pursuant to conversion of warrants issued on preferential basis had dealt in the equity shares of the Company during the period from 9th September, 2022 to 6th January, 2023 (Purchase) and during the period from 7th January, 2023 to 30th June 30, 2023 (Sale-Purchase), resulting in non-compliance of said regulation. On receipt of Query from NSE while applying for Listing of 1,00,000 equity shares allotted pursuant to conversion of warrants issued on preferential basis to Soham, the Company applied for waiver request to exempt the Non-Compliance of SEBI ICDR Regulations and seek permission for Listing of Equity Shares on 19th March, 2025. Further, in the said waiver application, the Company mentioned about allottee's readiness to disgorge the profits of ₹ 27,48,246.92/- to NSE Investor Education Protection Fund ("NSE IEPF"). NSE vide its letter dated 29th May, 2025 granted Listing Approval to such 1,00,000 equity shares allotted to Soham pursuant to conversion of warrants issued on preferential basis. Advisory letter dated 29th May, 2025 was also issued by NSE to be careful in future and exercise due diligence while submitting further applications to the Stock Exchange	31st March 2025	Regulation 167(6) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018	No lock-in was imposed on pre-preferential holding of the allottees to the 5,00,000 equity shares allotted pursuant to conversion of warrants issued on preferential basis pursuant to Regulation 167(6) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.	Clarification sought vide: NSE Letters Ref: NSE/ LIST/44675 a. dated 18th October 2024; b. dated 29th October 2024; c. dated 6th November 2024 d. dated 29th November 2024 and e. dated 16th December 2024	No further action is required in this regard	No further action is required in this regard
4	Mukeshkumar HUF and Ms. Khushi Jain, the non-promoter allottees to the 2,00,000 equity shares pursuant to conversion of warrants issued on preferential basis had dealt in the equity shares of the Company during the period from 26th September 2022 to 12th December 2022 (Sale-Purchase), resulting in non-compliance of said regulation.	31st March 2025	Regulation 167(6) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018	No lock-in was imposed on pre-preferential holding of the allottees to the 2,00,000 equity shares allotted pursuant to conversion of warrants issued on preferential basis pursuant to Regulation 167(6) of SEBI (Issue of Capital and Disclosure	Clarification sought vide: NSE Letters No Ref: NSE/ LIST/44723 dated 21st November 2024 NSE Letters No. NSE/LIST/46529 a. dated 16th January 2025 b. dated 23rd January 2025 and	No further action is required in this regard	No further action is required in this regard

Sr. No.	Observations/ Remarks of the Practicing Company Secretary in the previous reports)	Observations made in the Secretarial Compliance report for the year ended	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Details of Violation/ Deviations	Actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
	On receipt of Query from NSE while applying for Listing of 2,00,000 equity shares allotted pursuant to conversion of warrants issued on preferential basis to Mukeshkumar HUF and Ms. Khushi Jain, the Company applied for waiver request to exempt the Non-Compliance of SEBI ICDR Regulations and seek permission for Listing of Equity Shares on 13th January, 2025. Further, in the said waiver application, the Company mentioned about allottee's readiness to disgorge the profits of ₹ 52,430/- to NSE Investor Education Protection Fund ("NSE IEPF"). NSE vide its letter dated 29th May, 2025 granted Listing Approval to such 2,00,000 equity shares allotted to Mukeshkumar HUF and Ms. Khushi Jain pursuant to conversion of warrants issued on preferential basis. Advisory letter dated 29th May, 2025 was also issued by NSE to be careful in future and exercise due diligence while submitting further applications to the Stock Exchange			Requirements) Regulations, 2018.	c. dated 18th March 2025		

II. 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	
3	Maintenance and disclosures on Website: The Listed entity is maintaining a functional website	Yes	
	Timely dissemination of the documents/ information under a separate section on the website	Yes	
	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	

Sr. No.	Particulars	Compliance Status (Yes/ No/NA)	Observations/ Remarks by PCS
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 (b) Requirements with respect to disclosure of material as well as other subsidiaries	NA	The Listed Entity does not have any subsidiary during the Review period.
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 (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.	Yes NA	As confirmed by the Management, no Related Party transactions were undertaken without prior approval of the Audit Committee during the Review period.
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	
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 during the Review period

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
12	Resignation of statutory auditors from the listed entity or its material subsidiaries: In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	NA	There is no resignation of statutory auditors during the period under review.
13	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.		

I further, report that disclosure requirements of Employee Benefit Scheme Documents in terms of regulation 46(2) (za) of the LODR Regulations were not applicable during the period under review.

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 (Listing Obligations and Disclosure Requirements) 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.

Date: 29th May 2026
Place: Mumbai

Shreya Shah
Practicing Company Secretary
ACS No.: 39409/CoP No.: 15859
UDIN: A039409H000527545
Peer Review Certificate no.: 1696/2022

Annexure-IV

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

A. CONSERVATION OF ENERGY

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

Energy conservation is priority area for the Company, and the measures taken during the year 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) ₹ 219.38 Lakhs
Foreign Exchange Outgo	For expenses ₹ 29.55 Lakhs (Reimbursement of expenses on behalf of client)

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 29th May, 2026

Yuvraj Malhotra
Chairman & Managing Director
DIN: 00225156



ANNEXURE-V

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

- i) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2025-26, ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

(In ₹)

Sr. No.	Name of the Director/KMP and Designation	Remuneration of Director/KMP for the financial year 2025-26 (In ₹)	% increase in Remuneration in the financial year 2025-26	Ratio of the remuneration of each director to the median remuneration of the employees
1	Mr. Yuvraj Malhotra (Chairman and Managing Director)	NIL	NIL	-
2	Mr. Amit Pathak (Independent Director)	25,000 (Sitting Fees)	NIL	-
3	Mr. Rakesh Khajuria (Independent Director)	25,000 (Sitting Fees)	NIL	-
4	Ms. Himanshi Mota (Independent Director)	50,000 (Sitting Fees)	NIL	-
5	Mr. Suryakant Mayani (Non-executive, Non-Independent Director)	3,60,000 (Remuneration)	NIL	33.33%
6	Mr. Vishal Jain (Non-executive, Non-Independent Director)	NIL	NIL	-
7	Mr. Mohak Malhotra (Chief Financial Officer)	18,00,000	NIL	-
8	Ms. Richa Shah (Company Secretary)	4,20,000	NIL	-

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

The % increase in median remuneration of employee is 8.10%

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

55 employees on the rolls of Company as on 31st March, 2026.

- 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. 2025-26	Average percentile increase in managerial remuneration in F.Y. 2025-26	Justification
8.10%	5.12%	The same is due to the appointment of new director appointed with remuneration to take care regulation and compliance on regular (Monthly intervals)

- 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, 2026 is as per Remuneration policy of the Company.

For and on behalf of the Board of Directors

Yuvraj Malhotra

Chairman & Managing Director

DIN:00225156

Place: Mumbai

Dated: 29th May, 2026

Management Discussion and Analysis

The India metal forging market size was valued at USD 4.43 billion in 2022 and 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. Moreover, the metal forging market size in the U.S. is projected to grow significantly, reaching an estimated value of USD 2.66 billion by 2032, driven by higher consumption of forged metals by automotive and construction industry. 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 defence, 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.

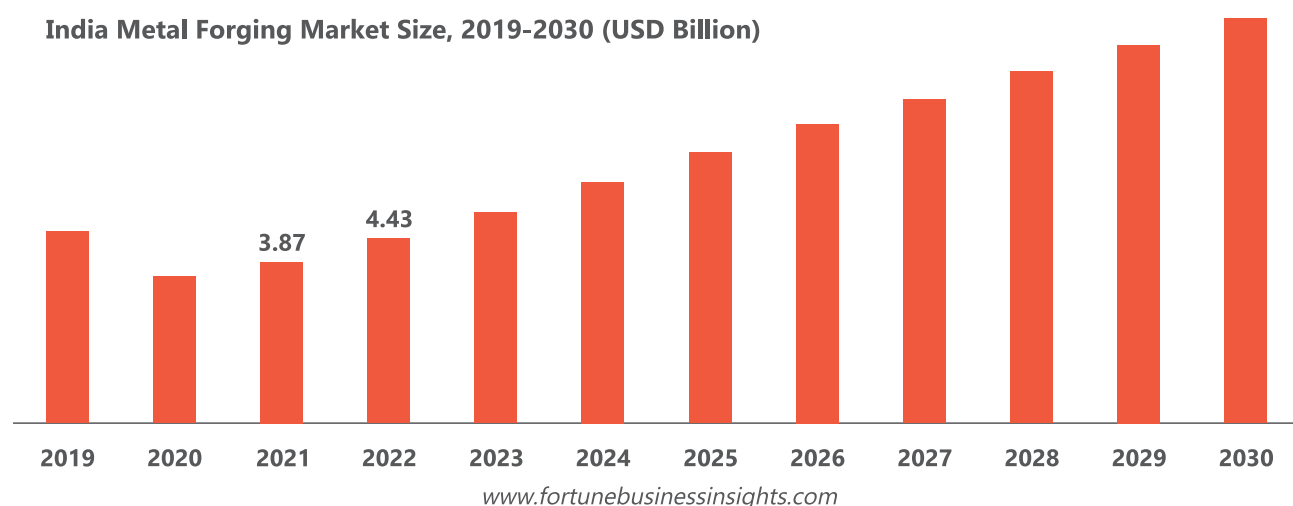
Source: <https://www.fortunebusinessinsights.com/india-metal-forging-market-106788>

INDIA METAL FORGING MARKET TRENDS

Rising Adoption of Automation in Manufacturing to Drive Market Growth

Increasing adoption of the 'Industry 4.0' by key players in India metal forging industry to improve efficiency is the ongoing trend in the market. Industry 4.0 is the latest phase in manufacturing digitalization that involves multiple innovations that can be utilized through enhanced connectivity, processing power, and data analysis. The metal forging industry in India is not much developed in terms of advanced technologies. However, companies such as Bharat Forge, Sansera, and a few others have already adopted Industry 4.0 for their forging lines to boost efficiency. In addition, collaborative research by partnering suppliers, end users, government, institutes, and other forging companies to enhance or develop significant existing and new technologies is an essential strategy adopted by different OEMs in the forging industry. The rising research and development activities by forging OEMs will aid the India metal forging market growth during the forecast period.

India Metal Forging Market Size, 2019-2030 (USD Billion)



Source: <https://www.fortunebusinessinsights.com/india-metal-forging-market-106788>

INDIA METAL FORGING MARKET GROWTH FACTORS

Increasing Demand for Forged Products in Power, Agriculture, Aerospace, and Defense to Drive Industry Expansion

Indian metal forging industry majorly caters to the high demand for forged products in the automotive sector. However, the recent slowdown in the automotive sector has diverted the focus of the leading metal forging key players on expanding their product portfolio for other non-automotive industries where the demand for forged products is increasing. These non-automotive industries include agriculture, power, and aerospace and defense. Hence, 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, increasing demand for critical forged products in the aerospace & defense industry is likely to drive the market growth.

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.

Source: <https://www.fortunebusinessinsights.com/india-metal-forging-market-106788>

Installation Capacity Analysis

Small (100 MT to 12,500 MT) Segment Leads Installation Capacity Due to Rising Demand for Small Forging Parts. Based on installation capacity, the market is segmented into small (100 MT to 12,500 MT), medium (12,500 to 30,000 MT), and heavy (above 30,000 MT). The small (100 MT to 12,500 MT) segment holds the largest market share. The small installation capacity segment comprises forging units with a capacity of 100 MT to 12,500 MT. Most of the automotive parts are produced with the help of small installation capacity-based solutions. The rising demand for small forged parts such as connecting rods, yoke ends, rocker arms, control arms, and others boost the growth of the small installation capacity segment. The medium (12,500 to 30,000 MT) installation segment is anticipated to witness the fastest

growth rate during the forecast period. This is due to the inclining focus of players to diversify their product portfolio for non-automotive industries such as industrial machinery, aerospace, mining equipment, and others.

Source: <https://www.fortunebusinessinsights.com/india-metal-forging-market-106788>

RESTRAINING FACTORS

Electrification in Automotive Industry to Slow Down the Market Growth

The domestic automotive industry in India is the leading customer for forged products and parts. Approximately more than 60% of the forging units in India are involved in automotive component manufacturing. Therefore, the Indian metal forging market is highly dependent on the domestic automotive industry. Currently, the automotive industry is going through once in a century revolution. Rising environmental concerns, government initiatives to promote green mobility, an increasing number of stringent emission regulations, and rising fuel prices are driving electrification in the automotive industry. Nearly all the leading automakers are focused on developing electric vehicles as future mobility solutions. However, electric vehicles have fewer moving parts and forged components compared to conventional vehicles. Thus, the developments in the domestic automotive industry are likely to hamper the growth of the India metal forging market during the forecast period.

Source: <https://www.fortunebusinessinsights.com/india-metal-forging-market-106788>

Railways Sector

India has the fourth-largest railway system in the world, after the US, Russia, and China, and remains a backbone of national connectivity and logistics. As of FY24, Indian Railways operated 13,523 passenger trains and 11,724 freight trains daily across a route network of 68,584 kms, with passenger trains averaging 50.6 kmph and freight trains 24 kmph. The sector has witnessed rapid development, strong investments, and continued government support in recent years. By FY25, a total of 34,000 kms of new railway tracks had been added nationwide, significantly expanding capacity. At the same time, major corridor upgrades are underway: the Delhi-Mumbai and Delhi-Howrah routes are being upgraded to 160 kmph, while new 3rd and 4th lines are being laid on key sections. Dedicated freight corridors have been commissioned to reduce congestion and improve efficiency.

Sustainability and innovation are also shaping the sector. Indian Railways has expanded its solar power capacity to 2,249 installations across stations and service buildings, with

1,489 units added in the last five years, 2.3 times more than the preceding period. In a private-sector initiative, DP World and Reliance Industries Limited (RIL) launched a logistics solution shifting petrochemical transport from road to rail, reducing carbon emissions while linking RIL's Jamnagar plant in Gujarat to DP World's ICD in Ahmedabad and onward to Mundra Port. Looking ahead, massive investments are set to transform the sector. Indian Railways plans to invest ₹ 16,70,000 crore (US\$ 193.98 billion) by 2031 to modernise 1,309 stations, expand freight corridors, electrify tracks, and develop new high-speed projects. The Union Cabinet has also cleared multiple regional projects: four infrastructure projects worth ₹ 5,100 crore (US\$ 592.4 million) will add 574 kms across six states, boosting freight capacity by 10 million tonnes and benefiting 2,309 villages. Two additional projects worth ₹ 6,405 crore (US\$ 744 million) will cover 318 kms, enabling the movement of 49.3 million tonnes of freight while saving 520 million litres of diesel and cutting 2,640 million kg of CO₂ emissions.

High-speed rail is emerging as a game-changer. The Mumbai-Ahmedabad High-Speed Rail Corridor is under active construction, while India plans four more corridors by 2035 to strengthen capacity and drive growth. Andhra Pradesh has also proposed a South India bullet train corridor connecting Hyderabad, Chennai, Amaravati, and Bengaluru, which would serve over five crore people and stimulate trade, employment, and regional development.

In February 2026, the Union Cabinet approved three railway multi-tracking projects worth ₹ 9,072 crore (US\$ 990.34 million) across Maharashtra, Madhya Pradesh, Bihar and Jharkhand, adding around 307 km to the railway network and improving connectivity for 5,407 villages with a population of nearly 98 lakh people. In February 2026, Indian Railways sanctioned infrastructure projects worth ₹ 871 crore (US\$ 96 million) across Rajasthan, Kerala and West Bengal to expand maintenance facilities, double key rail sections, and remove operational bottlenecks, strengthening passenger and freight services. In February 2026, the Bengaluru Suburban Rail Project, worth ₹ 23,342 crore (US\$ 2.57 billion), advanced as a major urban mobility initiative covering 148 km with 57 stations across four corridors, expected to serve 19 lakh daily passengers and remove around 40,000 buses from city roads, easing congestion and reducing emissions.

Passenger traffic reached a new high of 7.41 billion in FY26, up 3.54% from 7.16 billion in FY25, reflecting sustained growth in rail-based mobility and the continued expansion of India's mass transit network. Passenger revenue increased by 5.96% to ₹ 800 billion (US\$ 9.05 billion) in FY26 from ₹ 755 billion (US\$ 8.93 billion) in FY25, supported by higher ridership and improved earnings across passenger services.

Freight loading touched a record 1,670 million tonnes (MT) in FY26, registering a 3.25% year-on-year increase, underscoring the growing reliance on Indian Railways for bulk cargo and long-haul logistics. Freight growth was driven by strong performance in key sectors, with fertiliser loading rising 13.49% and pig iron & steel transportation increasing 13.11%, reflecting continued momentum in agriculture and industrial production. Core infrastructure commodities continued to support freight volumes, with iron ore transportation rising 6.74% to 190.12 MT and cement loading increasing 4.74% to 157.17 MT, indicating sustained infrastructure and construction activity across the country.

Freight earnings rose to ₹ 1.78 trillion (US\$ 20.11 billion) in FY26, up 1.44% from ₹ 1.75 trillion (US\$ 20.73 billion) in FY25, reinforcing Indian Railways' pivotal role in India's logistics and economic growth ecosystem. In September 2025, India announced plans to invest ₹ 30,000 crore (US\$ 3.4 billion) to build 500 km of new strategic railway lines, including bridges and tunnels, near its China border to enhance logistics and defence preparedness.

Indian Railways unveiled its first 9,000 HP electric locomotive in April 2025 to boost hauling capacity and operational performance. Indian Railways will launch the first Vande Bharat Sleeper train in September 2025, offering speeds up to 180 kmph. With features like USB charging, modular pantries, enhanced safety, and showers in 1st AC coaches, it aims to redefine long-distance rail travel.

In March 2024, Prime Minister Mr. Narendra Modi inaugurated infrastructure projects worth ₹ 15,400 crore (US\$ 1.84 billion) in Kolkata, including India's first underwater metro system, to improve connectivity in west Bengal. The Cabinet Committee on Economic Affairs, led by Prime Minister Mr. Narendra Modi, approved two railway projects totalling ₹ 6,798 crore (US\$ 808.8 million). These include doubling the 256 km Narkatiaganj-Raxaul-Sitamarhi-Darbhangra and Sitamarhi-Muzaffarpur sections and constructing a 57 km new line from Errupalem to Namburu via Amaravati.

India is in the process of developing high-speed train sets capable of reaching a maximum speed of 280 km/h. These trains are being designed and manufactured by the Integral Coach Factory in collaboration with BEML. Each train car is estimated to cost approximately ₹ 28 crore (US\$ 3.2 million) and will incorporate advanced features such as aerodynamic designs, sealed gangways, and modern amenities. India aims to transform Indian Railways into a net-zero emitter as part of its broader energy goals by 2030, as confirmed by Prime Minister Mr. Narendra Modi. Prime Minister, Mr. Narendra Modi inaugurated a significant expansion of India's rail network by introducing 10 new Vande Bharat



trains, bringing the total count to over 50 trains covering 45 routes nationwide. Foreign Direct Investment (FDI) inflows in railway-related components stood at ₹ 9,163 crore (US\$ 1.43 billion) for April 2000-June 2025.

164 Vande Bharat trains are operational as of December 2025.

As of March 2025, Indian Railways operates more than 13,000 passenger trains, including 4,111 Mail and Express trains, 3,313 Passenger trains, and 5,774 Suburban trains.

Indian Railways, as of 2025, has expanded 35,000 km of track, produces 30,000 wagons and 1,500 locomotives annually, increased freight share to 29 %, cut accidents by 80 %, and plans 1,000 new trains and bullet train operations by 2027. India's freight wagon market is expected to nearly double by 2031, rising to about ₹ 25,000 crore to ₹ 30,000 crore (US\$ 2.83 billion to US\$ 3.40 billion), driven by exports, technology upgrades and large-scale procurement. Revenue of Indian railway sector companies is expected to grow 5% in FY26, with operating margins around 12 %, supported by government capital outlay of ₹ 2,52,000 crore (US\$ 29.41 billion) and a strong order book-to-income ratio of 2.77.

In 2025-26, Railways' capital expenditure is targeted at ₹ 3,02,000 crore (US\$ 34.7 billion).

A wave of on-demand, shared, and electric-powered urban transportation services will generate ₹ 56,44,320 crore (US\$ 660 billion) in revenue globally by 2030. Passenger safety and experience have improved with modern trains (Vande Bharat, Amrit Bharat, Namo Bharat), Kavach implementation, elimination of level crossings, 1,337 redeveloped stations, Bharat Gaurav tourist trains, digital payments, and Rolling Blocks for planned maintenance. Indian Railways is modernising its long-standing train control systems to enhance safety, improve efficiency, and support faster, more reliable operations across the network.

In December 2023, the Indian Railways introduced the Amrit Bharat Express, a fully non-AC, affordable modern train service for low and middle-income families. As of August 2025, 14 services are in operation with enhanced safety and comfort features.

Indian Railways has boosted operational efficiency by modernising trains and stations, improving punctuality to 80% in FY26, deploying advanced Vande Bharat, Amrit Bharat, and Namo Bharat services, upgrading tracks and signalling, expanding bio-toilet coverage, and streamlining catering, all while maintaining affordable fares for over 720 crore passengers.

From July 2025, introduced Aadhaar-authenticated Tatkal bookings, OTP verification, revised fares, early reservation

charts, and agent restrictions to improve passenger convenience and transparency.

The RailOne app, launched on 1 July 2025, offers passengers a single platform for unreserved ticketing, live train tracking, grievance redressal, and other services, while the modern PRS set for December 2025 will handle high-volume bookings efficiently.

The UTS mobile app now covers 9,120 stations, with around 2.34 lakh tickets booked daily, facilitating travel for approximately 14.21 lakh passengers and generating revenue of about ₹ 1.33 crore (US\$ 1,54,490) each day.

Over 21,800 track km (TKM) of Indian Railways are now fit to run semi-high-speed trains of 130 km per hr in India, as per an internal report of the Ministry.

Around 76% of the excavation work has been completed on the Mumbai bullet train station located at 'Bandra Kurla Complex' (BKC), which is the only underground station on the Mumbai-Ahmedabad High-Speed Rail Corridor. According to the official report, 14.2 lakh cubic metres of the excavation work has been completed. 18.7 lakh cubic metres of earthwork must be excavated from this site.

In a significant move towards enhancing passenger experience by returning the lost/missing mobile phones, the Railway Protection Force (RPF) has successfully onboarded with the Central Equipment Identity Register (CEIR) portal of the Department of Telecommunication. This initiative follows the success of a pilot program in the Northeast Frontier Railway (NFR).

Indian Railways has taken a major step towards automation and efficiency in rolling stock maintenance by signing a Memorandum of Understanding (MoU) with the Delhi Metro Rail Corporation (DMRC) for the procurement and installation of Automatic Wheel Profile Measurement Systems (AWPMS).

The implementation of the PPP model is anticipated to meet the growing demand for mineral and coal transportation, with the development of these corridors—integral to the economic corridor program—projected to attract over ₹ 5.25 lakh crore (US\$ 60.43 billion) in investments by 2031.

The Government of India launched a dedicated Rail Tech Portal to encourage startups, innovators, industry, and academic institutions to develop technology solutions for Indian Railways, accelerating modernisation and innovation in the sector.

Indian Railways announced that it will fund up to 50% of the development cost for innovative railway technologies, supporting startups and innovators working on solutions for safety, maintenance, and operational efficiency.

The government launched the e-Railway Claims Tribunal (e-RCT) system, enabling 24x7 online filing, digital case tracking, and paperless hearings to improve transparency and speed in resolving railway compensation claims across India.

The government announced that all 23 benches of the Railway Claims Tribunal will be fully digitised within 12 months, enabling citizens to file claims and access tribunal services online from anywhere in the country.

In November 2025, India and Nepal signed an agreement to strengthen rail trade connectivity to improve freight movement and deepen economic integration between the two countries.

In October 2025, India announced plans to develop Vande Bharat 4.0 with advanced technology and upgraded passenger features, positioning it for global export within the next 18 months.

In September 2025, India announced that it will establish its first rail links with Bhutan through the Kokrajhar to Gelephu and Banarhat to Samtse routes with a total outlay of ₹ 4,033 crore (US\$ 454 million).

In June 2023, IRCON (formerly Indian Railways Construction Company Limited) signed a memorandum of understanding (MoU) with the National Investment and Infrastructure Fund Limited and Ayana Renewable Power Limited. This partnership will consider suitable opportunities for solar energy production for the Indian Railways as they intend to increase the share of renewables in their overall energy mix.

With a view to improving rail connectivity and ease travel for commuters, the Union Cabinet approved seven projects for the Ministry of Railways in August 2023 at a cost of around ₹ 32,500 crore (US\$ 3.93 billion). Spanning 35 districts in nine States - Uttar Pradesh, Bihar, Telangana, Andhra Pradesh, Maharashtra, Gujarat, Odisha, Jharkhand, and West Bengal, the projects will add 2,339 km to the existing network speed.

The ₹ 1,800 crore (US\$ 209.1 million) "Brahma" rail coach hub near Bhopal will be developed as a green factory with zero liquid waste, renewable energy use, rainwater harvesting, and sustainable materials, setting new eco-friendly benchmarks in rail manufacturing.

India is in the process of developing high-speed train sets capable of reaching a maximum speed of 280 km/h. These trains are being designed and manufactured by the Integral Coach Factory in collaboration with BEML. Each train car is estimated to cost approximately ₹ 28 crore (US\$ 3.2 million) and will incorporate advanced features such as aerodynamic designs, sealed gangways, and modern amenities.

The National High Speed Rail Corporation Limited announced the successful launch of a 100-meter steel girder over four railway tracks in Gujarat for the Mumbai-Ahmedabad bullet

train project, facilitating the metal framework installation between Kim and Sayan villages in Surat district.

RailTel, a PSU under the Railway Ministry, which provides fast and free Wi-Fi across the Indian Railways network, announced its highest-ever consolidated income of ₹ 704 crore (US\$ 85 million) for Q4 of FY23. This income figure is a growth of 5% over the consolidated income of the same quarter income last year.

India's export of railways grew at and reached US\$ 315 million in FY24 as compared to US\$ 173 million in FY21.

Since 2016, Indian Railways has exported over 1,000 rail cars, 3,800 bogies, 4,000 flatpicks, and 5,000 propulsion systems to countries including Australia, Canada, Germany, Egypt, Sweden, Brazil, the UK, Saudi Arabia, France, Mexico, Romania, Spain, Italy, Mozambique, Senegal, Sri Lanka, Myanmar, Bangladesh, and the Republic of Guinea, reflecting rapid growth in global exports up to 2025.

Indian Railways plans to market semi-high speed 'Vande Bharat' trains by 2025-26, aiming to cover 10-12 lakh kilometres on 75 trains in three years. Indian Railways will target European, South American, and East Asian markets for exporting 'Made in India' trains.

The Marhowrah Diesel Locomotive Factory in Bihar will export 150 Evolution Series ES43ACmi locomotives to Guinea's Simandou iron ore project under "Make in India," in a ₹ 3,000 crore (US\$ 345.9 million) deal, boosting India's global railway exports with advanced 4,500 HP locomotives and creating over 2,100 jobs nationwide.

India is expanding its railway manufacturing footprint globally, exporting coaches, bogies, locomotives, and propulsion systems to more than 16 countries, supported by rising orders and successful deliveries from facilities such as the Marhowra plant.

Indian Railways has undertaken a mega-infrastructure project of two Dedicated Freight Corridors (DFC) namely Eastern and Western Dedicated Freight Corridors (EDFC & WDFC) to facilitate the faster evacuation of freight traffic.

As of March 2025, out of the total 2,843 km of India's DFC, comprising the EDFC from Ludhiana to Sonnagar (1,337 km) and the WDFC from Jawaharlal Nehru Port Terminal to Dadri (1,506 km), 2,741 km (96.4%) has been commissioned and made operational.

The Ministry of Railways plans to monetize assets including Eastern and Western Dedicated Freight Corridors after commissioning, induction of 150 modern rakes through, station redevelopment through PPP, railway land parcels, multifunctional complexes (MFC), railway colonies, hill railways and stadiums.

With increasing participation expected from private players, domestic and foreign, due to favourable policy measures, both passenger and freight traffic is expected to grow rapidly over the medium to long term. The Government of India's focus on infrastructure is a major factor which will accelerate the growth of railways. Railways infrastructure plans to invest ₹ 50 lakh crore (US\$ 715.41 billion) by 2030.

Indian Railways completed eight major capacity enhancement projects by taking advantage of the coronavirus lockdown. These projects included three supercritical projects with a combined length of 68km, three critical projects with a combined length of 45km, the upgradation of the entire 389km railway line from Jhajha in Bihar to Pandit Deen Dayal Upadhyaya junction in Uttar Pradesh and a new 82km port connectivity line to Paradip.

As of March 2025, Indian Railways had electrified 68,701 km (98.83%) of its 69,512 km broad-gauge network, with the remaining 811 km expected to be completed by Q3 FY26.

As a part of the Railways' plans to upgrade its network, the Ministry announced that all non-AC sleeper coaches will be replaced by AC coaches for trains running >130 kmph. This move has been taken as a technical necessity for high-speed trains with the bonus of improving the passenger experience.

As of April 1, 2025, Indian Railways has sanctioned 431 infrastructure projects, including 154 New Line, 33 Gauge Conversion and 244 Doubling, covering 35,966 km at an estimated cost of ₹ 6,75,000 crore (US\$ 78.41 billion). Out of this, 12,769 km has been commissioned, with an expenditure of approximately ₹ 2.91 lakh crore up to March 2025.

In an initiative to decarbonise rail transport, Indian Railways is collaborating with public sector enterprises to accelerate track electrification, achieving 45,922 route kilometres (RKM) electrified between 2014 and February 2025, marking more than a fivefold increase compared to 21,801 RKM electrified before 2014. The future outlook of the railway sector looks on track with the pandemic easing out.

Railways are leading India's fight against climate challenges and are taking significant steps towards meeting its ambitious goal of being a net zero carbon emissions organisation by 2030 and meeting India's Intended Nationally Determined Contributions (INDC) targets.

Indian Railway network is growing at a healthy rate. By 2030, the Indian railway market is expected to be the third largest in the world, accounting for 10% of the global market.

Internal Control Systems and their adequacy:

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

Financial Performance with respect to operational performance

(₹ In Lakhs)

Particulars	Year Ended March 2026	Year Ended March 2025
Total revenue	23,201.10	16,822.35
Less: Operating Expenses & Provision	21,908.22	15,284.95
Profit before Interest, Depreciation & Taxes	1,292.88	1,537.40
Less: Depreciation	223.06	222.97
Less: Interest & finance Charges	700.55	704.66
Less: Exceptional Items	-	-
Profit before Tax	369.27	609.77
Less: Provision for Taxation	24.66	-7.87
Profit After Tax	344.61	617.63
Other Comprehensive Income	0	0
Total Comprehensive Income for the Year	0	0
Balance Brought forward	1,200.96	583.33
Balance Available for Appropriation	344.61	617.63
Surplus retained in Profit & Loss account	1,545.57	1,200.96

During the year under review, the total revenue of the company was ₹ 23,201.10 Lakhs as compared to ₹ 16,822.35 Lakhs during the previous year and the PAT is ₹ 344.61 Lakhs as compared to last year's profit of ₹ 617.63 Lakhs.

Significant changes in key financial ratios:

Ratios	For FY 25-26	For FY 24-25	Variation
Debtors Turnover	5.81	3.34	More than 25%
Inventory Turnover	2.30	2.00	Less than 25%
Debt Service Coverage Ratio	1.10	1.85	More than 25%
Current Ratio	2.64	1.78	More than 25%
Debt Equity Ratio	0.33	0.49	More than 25%
Operating Profit Margin (%)	5.57%	9.14%	More than 25%
Net Profit Margin (%)	1.49%	3.67%	More than 25%
Net Worth (₹ In Lacs)	15,103.43	11,559.63	

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

1. Debtors Turnover Ratio:

The Company has undertaken focused efforts to strengthen its receivables management during the year, resulting in the recovery of a significant portion of long-outstanding trade receivables. The higher receivables balance at year-end primarily reflects increased business activity and is expected to be realized in the normal course of business.

2. Debt Service Coverage Ratio (DSCR):

The Company significantly strengthened its debt servicing profile during the year by reducing its overall borrowings through the repayment and closure of approximately ₹ 10.00 Crores of term loans and the ICICI Bank overdraft facility from internal accruals. This deleveraging initiative is expected to support improved debt servicing capacity going forward.

3. Current Ratio:

The Current Ratio improved during the year, primarily on account of a stronger current asset base, particularly trade receivables, which exceeded the growth in current liabilities. This reflects the Company's expanding business operations and provides a stronger liquidity position to support future growth.

4. Debt-Equity Ratio:

The Company's capital structure witnessed a significant improvement during the year through the repayment of approximately ₹ 10.00 Crores of debt, coupled with the successful infusion of equity capital through the Rights Issue of 1.12 Crore equity shares. These

initiatives have strengthened the balance sheet and reduced financial leverage.

5. Operating Profit Margin:

The Operating Profit Margin was impacted during the year due to elevated operating costs and the execution of orders with comparatively lower margins. These were strategic business decisions aimed at strengthening customer relationships, improving capacity utilization, and expanding the Company's market presence. Management expects operating margins to improve as the product mix shifts towards higher-value segments and operating efficiencies continue to strengthen.

6. Net Profit Margin:

The Net Profit Margin was affected by elevated finance costs and one-time expenses associated with the successful Rights Issue, in addition to the impact on operating margins. These expenses are largely non-recurring in nature, while the strengthening of the Company's capital base and reduction in debt are expected to contribute positively to profitability in the coming periods.

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 resources 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 HMFL and does not tolerate any discrimination and/or harassment in any form. The Company has in place a stringent policy in place, to address issues pertaining to female employees and to provide a safe environment for them.

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

Yuvraj Malhotra

Place: Mumbai

Chairman & Managing Director

Date: 29th May 2026

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 2026 are 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	Mr. Amit Pathak	Independent, Non-Executive Director	83.33
3	Mr. Suryakant Mayani	Non-Independent, Non-Executive Director	
4	Mr. Rakesh Khajuria	Independent, Non-Executive Director	
5	Mr. Vishal Jain	Non-Independent, Non-Executive Director	
6	Ms. Himanshi Mota	Independent, Non-Executive Woman Director	

2.2 Board Meetings, Attendance, and other details:

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

3rd April 2025	30th May 2025	31st July 2025	14th August 2025
4th November 2025	13th November 2025	3rd December 2025	20th December 2025
22nd December 2025	14th January 2026	4th February 2026	14th February 2026
18th February 2026	28th February 2026	13th March 2026	

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the FY 2025-26 and at the 20th Annual General Meeting held on 26th September, 2025, 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, 2026 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 26th September, 2025		Chairman	Member	
Mr. Yuvraj Malhotra	00225156	Chairman & Managing Director	15/15	Yes	1	0	2	42,89,694
Mr. Amit Pathak	10764270	Non-Executive Independent Director	15/15	Yes	1	2	0	-
Mr. Suryakant Mayani	10764276	Non-Independent Non-Executive Director	15/15	Yes	1	0	1	-
Mr. Rakesh Khajuria	10764283	Non-Executive Independent Director	15/15	Yes	1	0	1	-
Mr. Vishal Jain	09512854	Non-Independent Non-Executive Director	15/15	Yes	1	0	0	-
Ms. Himanshi Mota5	10764261	Non-Executive Independent Director	15 /15	Yes	1	1	2	-

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.

2.3 Directors' Familiarization programme:

The Familiarization programme enables 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/>

2.4 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, optimizing the development in the industry for improving Company's business	(i) Mr. Yuvraj Malhotra (ii) Mr. Vishal Jain (iii) Mr. Suryakant Mayani
2	Financial	Comprehensive understanding of financial accounting, capital allocation, resource utilization reporting and controls and analysis	(i) Mr. Yuvraj Malhotra (ii) Mr. Amit Pathak (iii) Mr. Suryakant Mayani (iv) Ms. Himanshi Mota
3	Expertise 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. Rakesh Khajuria (iii) Mr. Vishal Jain
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. Suryakant Mayani (iii) Ms. Himanshi Mota

2.5 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 14th February, 2026 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.

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-

- 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.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
- Any changes in accounting policies and practices.

- e. Major accounting entries based on exercise of judgment by management.
- f. Qualifications in draft audit report, if any.
- g. The going concern assumption.
- h. Compliance with accounting standards.
- i. Compliance with Stock Exchange and legal requirements concerning financial statements.
- j. 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.
- k. Reviewing with the management, External and Internal auditors the adequacy of Internal Control System.
- l. 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.
- m. 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.
- n. Reviewing the Company's financial and risk management policies.
- o. Reviewing the mechanism to track insider trading
- p. To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of nonpayment of declared dividends) and creditors.
- q. 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 4 times during the year on 30th May 2025, 14th August 2025, 13th November 2025 and 14th February 2026. The previous 20th AGM of the Company was held on 26th September, 2025 and was attended by Mr. Amit Pathak, 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 2025-26 are as follows: -

Sr. No.	Names of Members	Designation	Category of Director	No. of Meetings Attended
1	Mr. Amit Pathak	Chairman	Independent Non-executive	4/4
2	Mr. Yuvraj Malhotra	Member	Executive	4/4
3	Ms. Himanshi Mota	Member	Independent Non-executive	4/4

Internal Audit:

M/s. Paresh Kapasi & Associates, Internal Auditors of the Company have carried out the Internal Audit for FY 2025-26. 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:

- a) To determine the remuneration package for any Executive Directors as well as remuneration payable to the non-executive Directors from the year to year.
- b) To help in determining the appropriate size, diversity and composition of the Board;

- c) To recommend to the Board appointment/reappointment and removal of Directors/KMPs;
- d) To frame criteria for determining qualifications, positive attributes and independence of Directors.
- e) To create an evaluation framework for Non-executive & Independent Directors and the Executive Board;
- f) Delegation of any of its powers to any Member of the Committee or the Compliance Officer.

3.2.2 Composition and Attendance at the Meeting

The Committee met 1 time during the year on 4th November 2025. The previous 20th AGM of the Company was held on 26th September 2025 and was attended by Mr. Amit Pathak, 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 2025-26 are as follows: -

Sr. No.	Names of Members	Designation	Category of Director	No. of Meetings Attended
1	Mr. Amit Pathak	Chairman	Independent Non-executive	1/1
2	Mr. Rakesh Khajuria	Member	Independent Non-executive	1/1
3	Ms. Himanshi Mota	Member	Independent Non-executive	1/1

3.2.3 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/>

3.2.4 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.

3.3 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 MUFG Intime India Private Limited (formerly known as "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 November 2025. The previous 20th AGM of the Company was held on 26th September 2025 and was attended by Ms. Himanshi Mota 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 2025-26 are as follows:

Sr. No.	Names of Members	Designation	Category of Director	No. of Meetings Attended
1.	Mr. Yuvraj Malhotra	Member	Executive, Non-Independent	1/1
2.	Ms. Himanshi Mota	Chairman	Non-Executive, Independent	1/1
3.	Mr. Suryakant Mayani	Member	Non-Executive, Non-Independent	1/1

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. 2025-26 are as follows:

Sr. No.	Nature of Complaints	Whether Received	No. of Complaints Redressed	Pending Complaints as on 31st March, 2026
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	-	-	-
6.	Others	5	5	-

3.4 SENIOR MANAGEMENT:

The particulars of senior management, including changes therein during the Financial Year 2026 are as follows:

Sr. No.	Name	Designation
1	Mr. Navraj Malhotra	Factory Director
2.	Mr. Sagar Shirke	HR Head
3.	Ms. Yashika Malhotra	Marketing Head

4) DETAILS OF REMUNERATION PAID TO THE DIRECTORS

Details of Remuneration paid to the Directors

Details of Remuneration paid to the Directors for the year ended 31st March, 2026 are as follows:

Directors	Remuneration (₹)	Sitting Fees (₹)	Consultancy Fee (₹)	Commission (₹)	Total (₹)
Mr. Yuvraj Malhotra	NIL	NIL	NIL	NIL	NIL
Mr. Amit Pathak	NIL	25,000	NIL	NIL	25,000
Mr. Rakesh Khajuria	NIL	25,000	NIL	NIL	25,000
Ms. Himanshi Mota	NIL	50,000	NIL	NIL	50,000
Mr. Suryakant Mayani	3,60,000	NIL	NIL	NIL	3,60,000
Mr. Vishal Jain	NIL	NIL	NIL	NIL	NIL

Notes:

- a. Sitting fees include payment of fees for attending Board/Committee Meetings.
- b. 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 and MR. Vishal Jain have voluntarily chosen not to receive any remuneration/fees for his services rendered to the Company for FY 2025-26.
- c. No provision of performance-linked variable pay for the FY 2025-26 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.

5) GENERAL BODY MEETINGS:**5.1 Annual General Meetings**

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

AGM	DATE	TIME	VENUE	DETAILS OF SPECIAL RESOLUTIONS PASSED
20th	26.09.2025	4.00 PM	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	1. Payment of Remuneration to Mr. Suryakant Mayani (DIN: 10764276), Non-Executive Non-Independent Director of the Company, for the Financial Year 2025-26
19th	27.09.2024	4.00 PM	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	1. Appointment of Mr. Amit Pathak (DIN:10764270) as an Independent Director of the Company 2. Appointment of Mr. Rakesh Khajuria (DIN:10764283) as an Independent Director of the Company 3. Appointment of Ms. Himanshi Mota (DIN: 10764261) as an Independent Director of the Company 4. Appointment of Mr. Suryakant Mayani (DIN 10764276) as a Non-Executive and Non-Independent Director of the Company 5. Increase in Authorised Share Capital and consequent alteration in the Capital Clause of the Memorandum of Association
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

5.2 Extraordinary General Meeting

During the year under review, 3 EOGMs were held.

DATE	TIME	VENUE	DETAILS OF SPECIAL RESOLUTIONS PASSED
21.04.2025	12.00 PM	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	1. To create, offer, issue and allot equity shares pursuant to section 62(1)(c) and other applicable provisions of Companies Act, 2013 and other applicable laws in one or more tranches, through Qualified Institutions Placement (QIP)
02.12.2025	12.00 PM	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	1. Authorized Share Capital and Alteration of Capital Clause of Memorandum of Association of the Company 2. Increase in the limits applicable for making investments in both movable and immovable properties/ assets 3. Remuneration payable to Mr. Mohak Malhotra, Chief Financial Officer of the Company
26.03.2026	12.00 PM	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	1. Increase in Authorized Share Capital and Alteration of Capital Clause of Memorandum of Association of the Company

5.3 Postal Ballot

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

5.4 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.

6) 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 2025, September 2025, December 2025, and Audited Financial Statements for the year ended 31st March 2026 were published in Financial Express, Mumbai (English edition), and in Mumbai Lakshadweep (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 Lakshadweep (Marathi Edition).

7) GENERAL SHAREHOLDER INFORMATION

7.1 Company Registration Details:

CIN: L28900MH2005PLC154986

7.2 Annual General Meeting

In September 2026 through Video Conference ("VC")/ Other Audio Visual Means ("OAVM")- Refer to the Notice of AGM.

7.3 Financial Year

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

7.4 Tentative Schedule for declaration of results during the financial year 2026-27

First quarter	June 30, 2026- on or before August 14, 2026
Second quarter/Half Yearly	September 30, 2026 - on or before November 14, 2026
Third quarter/Nine months	December 31, 2026 - on or before February 14, 2027
Fourth quarter/Annual	March 31, 2027 - on or before May 30, 2027

7.5 Book Closure date

The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, 24th September, 2025 to Wednesday, 30th September, 2025 [Both days inclusive]

7.6 Dividend Payment

No dividend is to be declared for the financial year ended 31st March 2026.

7.7 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.

7.8 Listing on Stock Exchanges**Equity Shares**

Name of the Stock Exchange	Security code/Symbol	ISIN	Payment of Annual Listing fees for the FY 25-26 (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

7.9 Registrar & Share Transfer Agents:**MUFG Intime India Private Limited**

(Formerly known as "Linkintime India Private Limited")

C 101, Embassy 247, L.B.S.Marg,

Vikhroli (West), Mumbai - 400083

E-mail – vaishnavi.dhanawade@in.mpms.mufig.com

Ph: 022 4918 6000

Website: <https://in.mpms.mufig.com/>

Contact Person: Ms. Vaishnavi Dhanawade

7.10 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

**7.11 Distribution of Shareholding as on 31st March, 2026:**

No. of equity Shares held	Shareholders		Total Shares	
	Number	% of Total	Shares	% of Total
1-500	20,675	77.2406	24,45,300	7.0477
501-1000	2,448	9.1456	19,48,517	5.6159
1001-2000	1,576	5.8878	23,77,456	6.8521
2001-3000	634	2.3686	16,17,403	4.6616
3001-4000	303	1.132	10,78,128	3.1073
4001-5000	238	0.8892	11,12,190	3.2055
5001-10000	478	1.7858	35,21,356	10.1490
100001 and above	415	1.5504	2,05,96,201	59.3609
Total	26,767	100	3,46,96,551	100

7.12 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, 2026, 99.99% (34696550 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.

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

No

7.14 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 seek to minimize the effects of these risks by continuous monitoring and using derivative financial instruments to hedge risk exposures, wherever permissible and cost effective.

7.15 Plant Location

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

7.16 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

7.17 Credit ratings

The Credit Ratings of the Company for long term / short term facilities for Financial Year ended on 31st March, 2026 is as below: -

Long Term Bank Facilities	CARE D
Short Term Bank Facilities	CARE D

8) DISCLOSURES:**8.1 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.

8.2 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 25-26		
During the year under review, no strictures or penalties were imposed on the Company.		
FY 24-25		
1	Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-Non-compliance for not having at least half of the Board of Directors as Independent Directors, in case of Executive Chairperson	NSE- Levied Penalty of INR 1,06,200 /- and INR 11,800/- Current Status: On receipt of SOP Notices from the NSE in this regard, the requisite fine amount was paid on 2nd December, 2024 and 15th April, 2025 respectively for both the SoP notices. BSE- Levied Penalty of INR 1,06,200 /- and INR 11,800/- Current Status: On receipt of SOP Notices from the BSE in this regard, the requisite fine amount was paid on 2nd December, 2024 and 15th April, 2025 respectively for both the SoP notices.
FY 23-24		
During the year under review, no strictures or penalties were imposed on the Company.		

8.3 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 <https://www.hiltonmetal.com/corporate-governance/>

8.4 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.

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

During the year under review, the Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

8.6 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.

8.7 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.

8.8 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 ₹ 9,00,000/- (Rupees Nine Lakhs) as mentioned in Note no. 26 of the Financial Statements, forming part of this Annual Report.

8.9 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 2025-26.

8.10 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.

9) 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.

10) CEO / CFO CERTIFICATE:

The CEO/ CFO Certificate under Regulation 17 (8) of SEBI(LODR) Regulations, 2015, for FY 2025-26 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: 29th May 2026

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 31st March, 2026, 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: 29th May, 2026

Yuvraj Malhotra
Chairman & Managing Director
DIN:00225156



AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
Hilton Metal Forging Limited
Mumbai

I have examined the compliance of conditions of Corporate Governance by **Hilton Metal Forging Limited** ("the Company"), as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") for the financial year ended 31st March, 2026.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of my findings from the examination of the records produced and explanations and information furnished to me and the representation made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V to the Listing Regulations for the financial year ended 31st March, 2026.

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

SHREYA SHAH

Practising Company Secretary

Mem No. A39409/CoP: 15859

UDIN: A039409H000527567

Peer Review Certificate No.: 1696/2022

Date: 29th May, 2026

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, 2026 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, 2026, 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, 2026, 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, 2026.

Place: Mumbai
Date: 29th May 2026

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 303, Tanishka Commercial Co-op. Society Ltd, Akruli Road, Kandivali (East), Mumbai - 400101 (hereinafter referred to as "the Company") to the Board of Directors of the Company ('the Board') for the Financial Year 2025-26 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 2026, 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	Amit Pathak	10764270	31/08/2024
3	Rakesh Khajuria	10764283	31/08/2024
4	Himanshi Mota	10764261	31/08/2024
5	Suryakant Mayani	10764276	31/08/2024
6	Vishal Jain	09512854	22/10/2024

*The date of appointment is as per the MCA Portal

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, 2026.

Shreya Shah

Practicing Company Secretary

Mem No. A39409/CoP: 15859

UDIN: A039409H000527556

Peer Review Certificate No.: 1696/2022

Place: Mumbai

Date: 29th May, 2026

Independent Auditor's Report

To the Members of Hilton Metal Forging Limited Report on the Audit of 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, 2026, 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, 2026 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. 38 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 quality issues and rejection, 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.

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 the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
1. Right Issue Refer Note 10 of the Financial Statements, Board of Directors of The Company approved a Rights Issue of equity shares on 20th December, 2025. During the financial year 2025–26, as at 14th January 2026, the Company received share Allotment money aggregating to ₹ 3199.18 Lacs at ₹ 28.32 per rights equity share for 1,12,96,551 rights equity shares. The Rights Issue involved significant amounts, multiple stages of share capital collection including application money, accounting for share capital and securities premium, and compliance with the provisions of the Companies Act, 2013 and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'). Accordingly, this matter was considered to be a Key Audit Matter.	Our audit procedures included and were not limited to the following: • We obtained and reviewed the Board Resolution approving the Rights Issue, including the terms of issue, application money. • We reviewed the Rights Issue offer documents and related communications issued to shareholders, as well as the regulatory filings submitted to the BSE Limited and the National Stock Exchange of India Limited. • We verified, the receipt of share application money with reference to bank statements and books of account. • We verified the number of shares applied, allotted, and on which application money was received. • We reviewed the accounting treatment for share application money, share capital, and securities premium to ensure compliance with Schedule III of the Companies Act, 2013, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. • We assessed compliance with the relevant provisions of the Companies Act, 2013 and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'). Accordingly, this matter was considered to be a Key Audit Matter in respect of the Rights Issue. • We evaluated the adequacy and appropriateness of disclosures made in the financial statements relating to the Rights Issue, share capital, calls in arrears, excess amount refunded, and securities premium."

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.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors (i) in planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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. 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, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026, 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 2(i) (vi) 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.
 - h. 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.
 - i. 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:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements, if any, refer note 28 to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) (a) 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

- (b) 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;
- (c) 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.

- (v) The Company has not declared or paid any dividend during the year.

- (vi) 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:

- (a) 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.

For **Anil Bansal & Associates**

Chartered Accountants

Firm registration number:100421W

Anil Bansal

Partner

Place: Mumbai

Date: 29th May, 2026

Membership no.: 043918

UDIN: 26043918VIRIQZ7447

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 Limits
 - 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. 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. 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 regular 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 except the disputed dues as the following:

Name of the Statute	Nature of dues	Amount	Forum where dispute is pending
Goods & Service Tax Act, 2017	Goods & Service Tax	₹ 757.90 Lacs	Appeal with Commissioner

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- ix. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year there were certain delays in repayment of dues to the Banks by the Company. The said delays were subsequently regularised during the year.
- 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 loan 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. During the year, the Company has raised funds by way of rights issue. In our opinion and according to the information and explanations given to us, the funds so raised have been applied for the purpose for which they were raised.
- 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.
- 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 under 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

Place: Mumbai

Date: 29th May, 2026

Membership no.: 043918

UDIN: 26043918VIRIQZ7447

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, 2026, 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 2026, 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

Place: Mumbai

Date: 29th May, 2026

Membership no.: 043918

UDIN: 26043918VIRIQZ7447

Balance sheet

as at 31st March 2026

₹ In Lacs

	Notes	As at 31st March 2026	As at 31st March 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,525.82	2,401.39
Capital work-in-progress	3	2,268.91	2,542.73
Financial assets			
Investment	4	0.50	0.50
Trade receivables	5	458.64	961.95
Other Non-current Financial Assets	6	22.86	25.29
		5,276.74	5,931.87
Current assets			
Inventories	7	9,994.15	8,410.81
Financial assets			
Trade receivables	5	3,507.97	3,920.06
Cash and cash equivalents	8	695.31	646.38
Other financial assets	6	24.69	20.69
Other current Assets	9	4,106.63	3,141.27
		18,328.75	16,139.21
Total assets		23,605.49	22,071.08
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	3,469.66	2,340.00
Other equity	11	11,633.77	9,219.63
Total Equity		15,103.43	11,559.63
Non-current liabilities			
Financial Liabilities			
Borrowings	12	1,396.53	1,250.96
Provisions	13	100.38	102.86
Deferred tax liabilities (Net)	14	59.78	70.92
		1,556.68	1,424.75
Current liabilities			
Financial liabilities			
Borrowings	12	3,595.36	4,849.68
Trade Payables	15	2,204.38	2,867.19
Other financial liabilities	16	599.51	179.70
Provisions	13	14.40	7.95
Other current liabilities	17	470.09	1,080.39
Current Tax Liability	18	61.64	101.78
		6,945.39	9,086.69
Total		23,605.49	22,071.08

Significant accounting policies and Notes to the financial statements

1 to 40

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 : 29th May, 2026

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)



Statement of profit and loss

for the year ended 31st March 2026

₹ In Lacs

	Notes	For the year ended 31st March 2026	For the year ended 31st March 2025
Income			
Revenue from operations	19	23,037.41	16,304.73
Other Income	20	163.69	517.63
Total Revenue		23,201.10	16,822.35
Expenses:			
Cost of materials consumed	21	22,059.76	14,347.09
Change in inventories of finished goods and Working in Progress	22	(1,304.56)	(391.21)
Employee benefit expenses	23	375.65	377.03
Finance cost	24	700.55	704.66
Depreciation & amortization expenses	25	223.06	222.97
Other expenses	26	777.36	952.05
Total expenses (II)		22,831.83	16,212.58
Profit/(loss) Before Exceptional Item		369.27	609.77
Exceptional Item		-	-
Profit/(loss) Before Tax		369.27	609.77
Tax expense:			
Current Tax		61.64	101.78
Mat credit entitlement		(25.83)	(94.12)
Deferred tax		(11.15)	(15.53)
Total tax expenses		24.66	(7.87)
Profit/(loss) After Tax		344.61	617.63
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		344.61	617.63
Earnings per equity share of face value of ₹ 10 each	27		
Basic (in ₹)		1.34	2.78
Diluted (in ₹)		1.34	2.78

Significant accounting policies and Notes to the financial statements

1 to 40

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 : 29th May, 2026

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)

Cash Flow Statement

for the year ended 31st March, 2026

₹ In Lacs

	Notes	For the year ended 31st March 2026	For the year ended 31st March 2025
Cash flow from operating activities			
Profit before tax and after prior period items		369.27	609.77
Non-cash adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortization		223.06	222.97
Finance costs		700.55	704.66
Profit on sale on investment property		-	(353.30)
Interest / Rent Income income		(128.70)	(153.95)
Foreign Exchange loss/(gain) (net)		(33.51)	(10.08)
Operating profit before working capital changes		1,130.68	1,020.07
Movements in working capital:			
Decrease/(increase) in inventories		(1,583.34)	(519.73)
Decrease/(increase) in trade receivables		915.40	(1,666.49)
Decrease/(increase in) in loans, financial and other assets		(966.93)	(727.58)
Increase/(decrease) in short term borrowings		(1,254.32)	1,134.89
Increase/(decrease) in trade payables		(662.81)	747.78
Increase/(decrease) in loans, financial & other liabilities		(241.78)	266.16
Increase/(decrease) in provisions		3.96	10.41
Cash generated from /(used in) operations		(2,659.15)	265.51
Direct taxes paid (net of refunds)		(24.66)	7.87
cash flow before extraordinary item		(2,683.80)	273.38
Extra ordinary item		-	-
Net cash flow from/ (used in) operating activities (A)		(2,683.80)	273.38
Cash flows from investing activities			
Equity shares issued with premium		3,199.18	948.78
Share forfeiture during the year		-	41.25
Addition of property, plant and equipment		(73.67)	(590.93)
Proceeds from the sale of property		-	550.00
Interest received / rent received		128.70	153.95
		3,254.22	1,103.05
Cash flows from financing activities			
Long term borrowing / repayment (net)		145.56	(152.44)
Finance cost		(700.55)	(704.66)
Net cash flow from/ (used in) in financing activities (C)		(554.99)	(857.10)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		15.42	519.33
Foreign Exchange loss/(gain) (net)		33.51	10.08
Cash and cash equivalents at the beginning of the year		646.38	116.97
Cash and cash equivalents at the end of the year		695.31	646.38
Components of cash and cash equivalents			
Cash on hand		0.02	0.02
Balance with banks:			
On current accounts		41.71	11.29
Earmarked deposit accounts		653.59	635.07
Total cash and bank equivalents		695.31	646.38

Significant accounting policies and Notes to the financial statements 1 to 40

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 : 29th May, 2026

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)



Statement of change in equity

for the year ended 31st March 2026

A. EQUITY SHARE CAPITAL

	Balance at the beginning of the reporting period i.e. 1st April, 2024	Changes in Equity Share capital during the year 2024-25	Balance at the end of the reporting period i.e. 31st March, 2025	Changes in Equity Share capital during the year 2025-26	Balance at the end of the reporting period i.e. 31st March, 2026
	2,100.00	240.00	2,340.00	1,129.66	3,469.66

₹ In Lacs

B. OTHER EQUITY

Particulars	Share warrant/ application money pending allotment	Capital reserve	General Reserve	Reserve & Surplus		Total
				Securities Reserve	Retained Earnings	
Balance at the beginning of the reporting period i.e. 1st April, 2024	371.25	-	515.53	6,344.59	583.33	7,851.97
Equity share issued during the year	(1,485.00)	-	-	-	-	(1,485.00)
Share warrant forfeited During the year	-	41.25	-	-	-	41.25
During for the year	1,113.78	-	-	1,080.00	617.63	2,811.41
Other comprehensive Income including net of Tax	-	-	-	-	-	-
Balance at the end of the reporting period i.e. 31st March, 2025	0.03	41.25	515.53	7,424.59	1,200.96	9,219.63
Balance at the beginning of the reporting period i.e. 1st April, 2025	0.03	41.25	515.53	7,424.59	1,200.96	9,219.63
Equity share issued during the year	-	-	-	2,069.53	-	2,414.14
Share warrant forfeited During the year	-	-	-	-	-	-
During for the year	-	-	-	-	344.61	-
Other comprehensive Income including net of Tax	-	-	-	-	-	-
Balance at the end of the reporting period i.e. 31st March, 2026	0.03	41.25	515.53	9,494.12	1,545.58	11,633.77

₹ In Lacs

Significant accounting policies and Notes to the financial statements 1 to 40

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)

Place : Mumbai
Date : 29th May, 2026

Richa Pankaj Shah
Company Secretary
(DERPS1049D)

Mohak Malhotra
CFO
(DIQPM6990E)

Notes to the Financial Statement

for the year ended 31st March, 2026

NOTE-3 : PROPERTY, PLANT AND EQUIPMENT

(₹ In Lacs)

Particulars	Gross Block of Assets		Depreciation		Net Block	
	As on 01/04/2025	Addition/ Transfer	Disposal/ Transfer	As on 31/3/2026	As on 01/04/2025	As on 31/03/2026
Land	137.59	-	-	137.59	-	137.59
Building and Shed	745.98	26.99	-	772.96	311.77	447.86
Staff Quarters	106.46	-	-	106.46	45.66	58.85
Plant & Machinery	4,684.77	320.05	-	5,004.81	3,006.55	1,803.72
Electrical Installation	96.37	-	-	96.37	86.67	9.00
Motor Car	6.73	-	-	6.73	5.61	1.12
Office Equipment	49.92	0.06	-	49.98	37.41	8.59
Designs & Drawings	0.68	-	-	0.68	0.65	0.03
Computer	57.94	0.40	-	58.34	46.78	9.27
Furniture & Fixtures	145.63	-	-	145.63	89.57	49.79
Total	6,032.06	347.49	-	6,379.55	3,630.67	2,525.82
Capital Work in Progress	-	-	-	-	-	-
At 31st March 2025	5,980.45	53.31	-	6,033.76	3,409.40	2,401.39
						2,571.05

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Notes to the Financial Statement

for the year ended 31st March, 2026

NOTE-4 : NON CURRENT INVESTMENT

₹ In Lacs

	As at 31st March 2026	As at 31st March 2025
Unquoted Shares		
500 Equity Shares (P.Y. 500) of ₹ 100 each, fully paid up of Saraswat Co-Op Bank Ltd	0.50	0.50
Total	0.50	0.50

NOTE-5 : TRADE RECEIVABLES

₹ In Lacs

	As at 31st March 2026	As at 31st March 2025
Non-current		
Unsecured, considered good (Undisputed)	458.64	961.95
Total	458.64	961.95
Current		
Unsecured, considered good (Undisputed)	3,507.97	3,920.06
Total	3,507.97	3,920.06

NOTE-5.1 : TRADE RECEIVABLES AGEING SCHEDULE FOR THE YEAR ENDED

₹ In Lacs

	As at 31st March 2026	As at 31st March 2025
Undisputed Trade receivables		
Less than 6 Months	3,493.70	3,094.33
6 Months to 1 year	14.28	825.73
1-2 years	188.20	78.00
2-3 years	9.79	411.51
More than 3 years	260.65	472.44
Disputed Trade receivables	-	-
	3,966.62	4,882.01

NOTE-6 : OTHER FINANCIAL ASSETS

₹ In Lacs

	As at 31st March 2026	As at 31st March 2025
Non-current		
Secured - Considered Good		
Security deposit	22.86	25.29
Total	22.86	25.29
Current		
Secured - Considered Good		
Security deposit	24.69	20.69
Total	24.69	20.69

Notes to the Financial Statement

for the year ended 31st March, 2026

NOTE-7 : INVENTORIES

₹ In Lacs

	As at 31st March 2026	As at 31st March 2025
Raw Material (including Goods in Transit)	4,039.62	3,742.36
Semi Finished Goods	3,939.23	2,667.13
Finished Goods	519.59	487.13
Store, Spares & Consumables	37.62	36.35
Dies and Inserts	1,458.09	1,477.84
Total	9,994.15	8,410.81

NOTE-8 : CASH AND CASH EQUIVALENTS

₹ In Lacs

	As at 31st March 2026	As at 31st March 2025
Cash in hand	0.02	0.02
Balance with banks:		
On current accounts	41.71	11.29
FDR (Lien with banks)	653.59	635.07
Total	695.31	646.38

NOTE-9 : OTHER CURRENT ASSETS

₹ In Lacs

	As at 31st March 2026	As at 31st March 2025
(Unsecured, Considered Good)		
Balance with Statutory Authorities	584.83	402.78
Other advances	3,521.80	2,738.50
Total	4,106.63	3,141.27

NOTE-10 : SHARE CAPITAL

₹ In Lacs

	As at 31st March 2026	As at 31st March 2025
a. Authorised Shares		
55,000,000 (Previous year 35,000,000) Equity Shares of ₹ 10/- each.	5,500.00	3,500.00
Issued, Subscribed and fully paid-up Shares		
34,696,551 (Previous year 23,400,000) Equity Shares of ₹ 10/- each.	3,469.66	2,340.00
Total Issued, Subscribed and fully paid-up Shares	3,469.66	2,340.00



Notes to the Financial Statement

for the year ended 31st March, 2026

b. Reconciliation of number of shares outstanding

Equity Share Capital

Particulars	As at 31st March 2026		As at 31st March 2025	
	Share in Lacs	₹ In Lacs	Share in Lacs	₹ In Lacs
As at the beginning of the year	234.00	2,340.00	210.00	2,100.00
Add: Issued during the year (Right Issue)*	112.97	1,129.66	-	-
Add: Conversion of share warrant into Equity Share	-	-	24.00	240.00
As at the end of the year	346.97	3,469.66	234.00	2,340.00

*During the year, on January 14, 2026, the Company allotted 11,296,551 Equity Shares of ₹ 10/- each on a rights basis to eligible shareholders at an issue price of ₹ 28.32/- per share (comprising of ₹ 10/- face value and ₹ 18.32/- Share Premium) as per Letter of Offer Dated: December 20, 2025.

c. Term/ Right Attached to Equity Share

The company has only one class of equity shares having a per value of ₹ 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. Shareholding of promoter

Shares held by promoters as at March 31, 2026

Promoter Name	No of Shares	% of Total Shares	% Change during the year
Yuvraj Malhotra	42,89,694	12.36	(26.52)
Diksha Malhotra	2,37,941	0.69	(31.61)
Navraj Malhotra	64,653	0.19	-
Seema Gujral	8,400	0.02	-
Mohak Malhotra	1,01,515	0.29	-
Yashika Malhotra	53,000	0.15	6.00

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

Particulars	As at 31st March 2026		As at 31st March 2025	
	Share	% Holding	Share	% Holding
Yuvraj Hiralal Malhotra	42,89,694	12.36	58,37,599	24.95

*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.

Notes to the Financial Statement

for the year ended 31st March, 2026

NOTE-11 : OTHER EQUITY

₹ In Lacs

	As at 31st March 2026	As at 31st March 2025
a) Share warrant/application money pending allotment		
Opening balance	0.03	371.25
Share application money received during the year	-	1,113.78
Less: Equity share issued during the year	-	1,485.00
Closing balance	0.03	0.03
b) Capital Reserve		
Balance as per the last financial statement	41.25	-
Add: Share warrant forfeited during the year	-	41.25
Closing balance	41.25	41.25
c) General Reserve		
Balance as per the last financial statement	515.53	515.53
Add: Transfer during the year	-	-
Closing balance	515.53	515.53
d) Share premium		
Balance as per the last financial statement	7,424.59	6,344.59
Add: Addition during the year	2,069.53	1,080.00
Closing balance	9,494.12	7,424.59
e) 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
f) Surplus in the statement of profit and loss		
Balance as per the last financial statement	1,200.96	583.33
Add: Transfer during the year	344.61	617.63
Closing balance	1,545.58	1,200.96
Total	11,633.77	9,219.63

NOTE-12 : BORROWING

₹ In Lacs

Particulars	As at 31st March 2026		As at 31st March 2025	
	Non Current	Current	Non Current	Current
Secured Loans				
Term loans*				
Indian rupee loan from Banks	460.32	313.81	881.04	179.70
Working capital loan**				
Indian rupee loan from Banks	-	3,595.36	-	4,849.68



Notes to the Financial Statement

for the year ended 31st March, 2026

Particulars	As at 31st March 2026		As at 31st March 2025	
	Non Current	Current	Non Current	Current
Unsecured Loans				
Sales tax deferred	110.13	-	110.13	-
Loan from others	-	285.70	-	-
Loan from Related Party (Refer Note 12.1)	826.08	-	259.79	-
	1,396.53	4,194.87	1,250.96	5,029.38
Less: Amount disclosed under the head current liabilities (Note-16)	-	599.51	-	179.70
Net amount	1,396.53	3,595.36	1,250.96	4,849.68

*Term loan from State Bank of India, ICICI Bank & South Indian Bank 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 State Bank of India, Punjab National Bank, ICICI Bank & South Indian Bank 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-12.1 : LOAN FROM RELATED PARTIES

₹ In Lacs

	As at 31st March 2026	As at 31st March 2025
Yuvraj Malhotra	682.82	180.28
Navraj Malhotra	-	0.53
Diksha Malhotra	109.46	72.14
Mohak Malhotra	29.88	-
Yashika Malhotra	3.92	6.84
Total	826.08	259.79

NOTE-13 : PROVISION

₹ In Lacs

	As at 31st March 2026	As at 31st March 2025
Non Current		
Provision for gratuity	100.38	95.97
Provision for leave entitlements	-	6.90
Total	100.38	102.86
Current		
Provision for gratuity	14.40	7.95
Total	14.40	7.95

Notes to the Financial Statement

for the year ended 31st March, 2026

NOTE-14 : DEFERRED TAX LIABILITIES (NET)

₹ In Lacs

	As at 31st March 2026	As at 31st March 2025
Related to fixed assets	59.78	70.92
Deferred tax liabilities (Net)*	59.78	70.92

*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-15 : TRADE PAYABLES

₹ In Lacs

	As at 31st March 2026	As at 31st March 2025
Micro, Small and Medium Enterprises (Refer Note-38)	19.34	22.01
Others Payable	2,185.04	2,845.18
Total	2,204.38	2,867.19

NOTE-15.1 : TRADE PAYABLE AGEING SCHEDULE FOR THE YEAR ENDED

₹ In Lacs

	As at 31st March 2026	As at 31st March 2025
Micro, Small and Medium Enterprises		
Less than 1 year	-	0.71
1-2 years	19.34	20.72
2-3 years	-	0.58
	19.34	22.01
Others payable		
Less than 1 year	1,740.80	2,696.05
1-2 years	382.57	22.88
2-3 years	16.73	32.93
More than 3 years	44.94	93.31
	2,185.04	2,845.18
Total	2,204.38	2,867.19

Disclosure of amount due to suppliers under "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)" is as under:

	As at 31st March 2026	As at 31st March 2025
i. Trade payables are generally non-interest bearing and are normally settled within a period of 180 days	-	-
ii. Based on and to the extent of information available with the Group under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at reporting date are furnished below:	-	-
a. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of the accounting year	-	-
Total	-	-



Notes to the Financial Statement

for the year ended 31st March, 2026

NOTE-16 : OTHER FINANCIAL LIABILITIES

₹ In Lacs

	As at 31st March 2026	As at 31st March 2025
Current Maturity	599.51	179.70
Total	599.51	179.70

NOTE-17 : OTHER CURRENT LIABILITIES

₹ In Lacs

	As at 31st March 2026	As at 31st March 2025
Statutory Dues	59.20	53.55
Advance from customers	159.40	143.73
Other Current liabilities	251.49	883.11
Total	470.09	1,080.39

NOTE-18 : CURRENT TAX LIABILITY

₹ In Lacs

	As at 31st March 2026	As at 31st March 2025
Current Income Tax	61.64	101.78
Total	61.64	101.78

NOTE-19 : REVENUE FROM OPERATION

₹ In Lacs

	Year ended 31st March 2026	Year ended 31st March 2025
Revenue from operations		
Sale of products	23,037.41	16,294.90
Other Operating Revenues	-	9.83
Total revenue from operations	23,037.41	16,304.73

NOTE-20 : OTHER INCOME

₹ In Lacs

	Year ended 31st March 2026	Year ended 31st March 2025
Rent	-	37.80
Interest on Bank Deposit & Others	128.70	116.15
Income on the sale of property	-	353.30
Others*	34.99	10.38
Total	163.69	517.63

*Including rebate & discount and foreign exchange gain/(loss) net.

Notes to the Financial Statement

for the year ended 31st March, 2026

NOTE-21 : COST OF MATERIAL AND CONSUMED

₹ In Lacs

	Year ended 31st March 2026	Year ended 31st March 2025
Opening Stock	3,778.71	3,629.85
Add: Purchases (Including stores)	22,358.29	14,495.95
	26,137.00	18,125.80
Less: Closing Stock (including stores)	(4,077.24)	(3,778.71)
Total	22,059.76	14,347.09

NOTE-22 : CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

₹ In Lacs

	Year ended 31st March 2026	Year ended 31st March 2025
Closing stock of finished goods	519.59	487.13
Closing stock of Semi-finished goods	3,939.23	2,667.13
	4,458.82	3,154.26
Opening stock of finished goods	487.13	292.43
Opening stock of Semi- finished goods	2,667.13	2,470.62
	3,154.26	2,763.05
Total	(1,304.56)	(391.21)

NOTE-23 : EMPLOYEE BENEFIT EXPENSES

₹ In Lacs

	Year ended 31st March 2026	Year ended 31st March 2025
Salaries, wages and bonus	343.33	346.25
Contribution to provident and other funds	25.14	21.41
Staff welfare expenses	7.18	9.37
Total	375.65	377.03

NOTE-24 : FINANCE COST

₹ In Lacs

	Year ended 31st March 2026	Year ended 31st March 2025
Interest on Borrowing	689.46	637.60
Others Charges	11.09	67.06
Total	700.55	704.66

NOTE-25 : DEPRECIATION AND AMORTIZATION EXPENSE

₹ In Lacs

	Year ended 31st March 2026	Year ended 31st March 2025
Depreciation & Dies amortize cost	223.06	222.97
Total	223.06	222.97



Notes to the Financial Statement

for the year ended 31st March, 2026

NOTE-26 : OTHER EXPENSES

₹ In Lacs

	Year ended 31st March 2026	Year ended 31st March 2025
Manufacturing expenses		
Power and fuel	439.53	523.54
Factory General Expenses	32.24	70.06
Labour Charges	3.13	3.19
Water Charges	4.01	4.79
Repairs & Maintenance	11.80	23.87
	490.70	625.46
Sales & Administration Expenses		
Advertisement & Sales Promotion Expenses	33.45	17.84
Communion Cost	0.90	0.86
Rent, Rates & Taxes	27.63	45.33
Traveling & Conveyance	31.23	27.74
Printing and Stationery	5.60	0.61
Freight & Forwarding Charges	15.69	56.45
Packing Material Consumed	0.20	0.89
Legal, Professional & Technical Charges	95.36	98.72
Auditors Remuneration	9.00	9.00
CSR Expenses	14.19	11.00
General and admin expenses	53.42	58.13
	286.65	326.58
Total	777.36	952.05
Payment to Auditor		
Audit fee	9.00	9.00
	9.00	9.00

NOTE-27 : BASIC EARNINGS PER SHARES

₹ In Lacs

	Year ended 31st March 2026	Year ended 31st March 2025
Profit after tax (₹ In Lacs)	344.61	617.63
Weighted average number of shares outstanding during the year (In Lacs)	256.90	222.43
Face value per share (In ₹)	10.00	10.00
Basic & Diluted earnings per share (In ₹)	1.34	2.78

Notes to the Financial Statement

for the year ended 31st March, 2026

NOTE-28 : CONTINGENT LIABILITIES

₹ In Lacs

	As at 31st March 2026	As at 31st March 2025
Goods & Service Tax (GST) Appeal with Commissioner*	758	758

*Demand in respect of Goods & Service (GST) matters for the period July-2017 to March-2020 (F.Y.2017-18 to F.Y.2019-20) for which appeal is pending. This is disputed by the Company and hence not provided for in the books of accounts.

NOTE-29 : 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-30 : 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 ₹ 114.78 Lacs (previous year, ₹ 103.92 Lacs).

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

₹ In Lacs

	Year ended 31st March 2026	Year ended 31st March 2025
Current service cost	3.96	3.84
Past service cost and loss/(gain) (net)	37.95	-
Net interest cost	6.66	6.48
Total expenses recognized in the statement of profit or loss	48.57	10.32

(ii) Other Income for the current period

₹ In Lacs

	Year ended 31st March 2026	Year ended 31st March 2025
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	(6.38)	3.56
Due to experience adjustments	(28.08)	(3.47)
Benefits paid by company	(3.25)	-
Amounts recognized in Other Income	(37.71)	0.09
Net effects given in profit & loss account	10.86	10.41



Notes to the Financial Statement

for the year ended 31st March, 2026

Defined benefit obligation are as follows:

₹ In Lacs

	Year ended 31st March 2026	Year ended 31st March 2025
Liability at the beginning of the year	103.92	93.50
Interest cost	6.66	6.48
Current service cost	3.96	3.84
Due to changes in financial assumption	(6.38)	3.56
Past service cost	37.95	-
Due to experience Adjustment	(28.08)	(3.47)
Benefit Paid by Company	(3.25)	-
Liability at the end of the year	114.78	103.92

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

	Year ended 31st March 2026
Discount rate	6.60% P.A
Salary Growth Rate	5% pa
Withdrawal Rate	10% pa at younger ages reducing to 2% P.A at older ages
Age of retirement (years)	60

NOTE-31 : 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
Vishal Jain	Director	
Himanshi Mota	Director	
Amit Pathak	Director	
Rakesh Khajuria	Director	
Suryakant Mayani	Director	
Mohak Malhotra	Chief Financial Officer (CFO)	Relatives
Richa Pankaj Shah	Company Secretary (CS)	
Navraj Malhotra	Relatives of CMD	
Yashika Yuvraj Malhotra	Relatives of CMD	
Diksha Malhotra	Relatives of CMD	

Notes to the Financial Statement

for the year ended 31st March, 2026

b) Transactions with related parties for the year ended March 31, 2026

₹ In Lacs

Particulars	Key Management Personnel and their relatives	
	As at 31st March 2026	As at 31st March 2025
Equity Share Issued		
Yuvraj Malhotra	824.00	-
Remuneration & Salary		
Navraj Malhotra	24.00	28.80
Yashika Malhotra	12.00	12.00
Richa Pankaj Shah	4.20	4.20
Mohak Malhotra	18.00	18.00
Suryakant Mayani	3.60	2.10
Loans taken		
Yuvraj Malhotra	1,720.97	1,269.10
Diksha Malhotra	88.50	134.18
Yashika Malhotra	-	30.27
Mohak Malhotra	232.85	450.29
Navraj Malhotra	18.83	3.72
Loans repayment		
Yuvraj Malhotra	1,218.43	1,403.59
Diksha Malhotra	51.18	81.47
Yashika Malhotra	2.92	0.16
Mohak Malhotra	202.97	442.54
Navraj Malhotra	19.36	2.75

c) Balances with related parties as at March 31, 2026

Particulars	Key Management Personnel and their relatives	
	As at 31st March 2026	As at 31st March 2025
Balance Outstanding at year end		
Yuvraj Malhotra	682.82	180.28
Diksha Malhotra	109.46	72.14
Yashika Malhotra	25.14	16.78
Mohak Malhotra	37.93	-
Navraj Malhotra	12.56	11.60
Surayakant Mayani	0.33	1.04
Richa Pankaj Shah	3.13	2.44

Notes to the Financial Statement

for the year ended 31st March, 2026

NOTE-32 : CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradicating poverty, hunger and malnutrition, promoting healthcare and improvement in education. A CSR committee has been by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on their activities which are specified in schedule VII of the Companies Act 2013.

₹ In Lacs

	As at 31st March 2026	As at 31st March 2025
i) Amount required to be spent by the company during the year	12.93	9.93
ii) Amount of expenditure incurred	14.19	11.00
iii) Excess of previous year	1.07	
iv) Shortfall at the end of the year	-	-
v) Total of previous years shortfall	-	-
vi) Reason for shortfall	-	-
vii) Nature of CSR activities	Eradicating poverty, hunger & malnutrition, promoting healthcare, improvement in education	
viii) Details of Related Party Transaction	NA	NA
ix) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

NOTE-33 : IMPORTED AND INDIGENOUS RAW MATERIAL, COMPONENTS AND SPARE PARTS CONSUMED

	As at 31st March 2026		As at 31st March 2025	
	% of total consumption	Amount in ₹ Lacs	% of total consumption	Amount in ₹ Lacs
Imported	-	-	-	-
Indigenous	100.00	20,755.20	100.00	13,955.88
Total	100.00	20,755.20	100.00	13,955.88

NOTE-34 : FINANCIAL DERIVATIVE INSTRUMENTS

Foreign currency exposure that are not hedge by derivative instruments as on 31st March, 2026 is USD \$ 383,324 & Euro (€) 60,050 [previous year USD \$ 2,46,637 & Euro (€) 62,689]. The unhedged exposure are naturally hedged by foreign currency earnings and earnings linked to foreign currency.

Notes to the Financial Statement

for the year ended 31st March, 2026

NOTE-35 : CATEGORIES OF FINANCIAL INSTRUMENTS

₹ In Lacs

	As at 31st March 2026	As at 31st March 2025
Financial Assets		
Break up of financial assets carried at amortised cost		
Trade receivables (Note 5)	3,966.62	4,882.01
Cash and cash equivalents (Note 8)	695.31	646.38
Other financial assets (Note 6)	47.55	45.97
Total financial assets carried at amortised cost	4,709.48	5,574.36
Break up of financial assets at fair value through profit or loss		
Investments-Non-current (Note 4)	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 12)	1,396.53	1,250.96
Current-Short term Borrowings (Note 12)	3,595.36	4,849.68
Trade payables (Note 15)	2,204.38	2,867.19
Other Current Financial Liabilities (Note 16)	599.51	179.70
Total financial liabilities carried at amortised cost	7,795.78	9,147.53

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-36 : 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

Notes to the Financial Statement

for the year ended 31st March, 2026

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;

Notes to the Financial Statement

for the year ended 31st March, 2026

Foreign currency exposure that are not hedge by derivative instruments as on 31st March, 2026 is USD \$ 383,324 & Euro (€) 60,050 [previous year USD \$ 2,46,637 & Euro (€) 62,689]. 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.

₹ In Lacs

Fair values	As at 31st March 2026	As at 31st March 2025
i) Class wise fair value of the Company's financial instruments:		
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

₹ In Lacs

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2026:			
Assets measured at fair value::			
Investment in equity shares	-	-	0.50
Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2025:			
Assets measured at fair value:			
Investment in equity shares	-	-	0.50

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.



Notes to the Financial Statement

for the year ended 31st March, 2026

NOTE-37 : RATIO

	March 31, 2026	March 31, 2025	Variance In %
Current Raio	2.64	1.78	48.58
Debt-Equity Ratio	0.32	0.49	33.49
Debt Service Coverage Ratio	1.32	1.85	28.27
Return on Equity (ROE)	0.10	0.26	(16.46)
Trade Receivables Turnover Ratio	5.81	3.34	73.90
Trade Payables Turnover Ratio	10.14	5.06	100.61
Net Capital Turnover Ratio	2.02	2.31	(12.46)
Net Profit Ratio	0.01	0.04	60.51
Return on Capital Employed (ROCE)	0.06	0.10	(36.57)

NOTE-38 : Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

Dues to micro, small and medium 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. Based on confirmations and declarations received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the Company has appropriately classified trade payables into MSME suppliers and other suppliers.

NOTE-39 : 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-40 : 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 : 29th May, 2026

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)



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