



**HILTON METAL FORGING LTD.**

**BOARD OF DIRECTORS:**

Shri Yuvraj Malhotra	CMD
Shri Navraj Malhotra	Whole Time Director
Shri Harmohindar Singh Dhingra	Director
Shri Joseph Mckay	Director
Shri Manoj Kumar More	Director
Shri Sanjay Jain	Director
Shri Navin Chokshi	Director

**AUDITORS:**

M/s R. K. Chaudhary & Associates  
Chartered Accountants,  
3rd floor, Kamanwala Chambers.  
Shri P. M. Road, Fort,  
Mumbai - 400 001.

**REGISTERED & CORPORATE OFFICE:**

701. Palm Sprig, Palmcote Complex,  
Link Road Malad (West),  
Mumbai - 400 064.

**BANKERS:**

State bank of Hyderabad  
State Bank of India

**REGISTRAR & SHARE TRANSFER AGENTS:**

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

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**HILTON METAL FORGING LIMITED**

**Regd. Office: 701, Palm Spring, Link Road, Malad (West) Mumbai-400064**

**NOTICE**

Notice is hereby given that the Eight Annual General Meeting of the Members of Hilton Metal Forging Limited will be held on Monday, 30th September, 2013 at 701 Palm Spring, Link Road, Malad (West), Mumbai-400064 at 5.00 p.m. to transact the following business:

**AS ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit & Loss Account for the year ended on that date along with the schedules thereon and the Reports of the Directors and Auditors thereon.
- 2) To appoint a director in place of Mr Manojkumar More who retires by rotation and being eligible offers himself for re-appointment
- 3) To appoint a director in place of Mr Joseph Mc Kay who retires by rotation and being eligible offers himself for re-appointment
- 4) To appoint a director in place of Mr Harmohindar Singh Dhingra who retires by rotation and being eligible offers himself for re-appointment
- 4) To declare dividend.
- 5) To appoint Auditors and to fix their remuneration.

**For and On Behalf of Board of Directors**

CHAIRMAN

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

**Date: 09/08/2013**

**Place: Mumbai**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. Proxy Form and Attendance Slip are enclosed. Proxies, duly stamped and executed, must reach at the Registered Office of the Company not less than 48 Hours before the commencement of the Annual General Meeting.
3. Dividend when declared will be paid to all the Shareholders who are entitled to receive payment and whose names appear in the Register of Members as on the 30th September, 2013
4. All documents referred in the Notice and Explanatory Statement are available for inspection for eligible members on all working days except on Saturdays, and holidays between 11.00 a.m. to 01.00 p.m. up to the date of the General Meeting.
5. Members holding shares in Dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Annual General Meeting.
6. Members/ Proxies should bring their copy of Annual Report and also the attendance slip duly filled in for attending the meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2013 to 30th September, 2013 -both days inclusive.
8. As required under clause 49(IV) (G) of the Listing Agreement of the Stock Exchanges, the relevant details of persons seeking appointment/ re-appointment as Directors are furnished in the Corporate Governance Section of this Annual Report.

**Registered Office:**

701, Palm Spring  
Link Road,  
Malad (West ) Mumbai – 400 064

**For and on behalf of the Board of Directors**

CHAIRMAN

**Date : 9-08-2013**

**Place: Mumbai**

**DIRECTORS' REPORT**

To

**The Members**

**Hilton Metal Forging Limited**

1. Your Directors present the Eighth Annual Report and the Audited Statement of accounts of the Company for the year ended March 31st, 2013.

**Performance of the Company**

**a) Total Income** (Rs in Lacs)

2012-13	2011-12	% Increase
15693.56	9568.15	65.03%

During the year under review, the total income of the company were Rs 15680.86 lacs (previous Year Rs 9568.15 Lacs) registering growth of 65.03%

**b) Export Revenue**

2012-13	2011-12	% Increase
7863.18	4696.55	67.19%

During the year under review, Export turnover of the company was Rs 7863.18 Lacs (Previous Year Rs 4696.55 Lcs registering growth of 67.19%

**c) Financial Results**

Particulars	Year Ended March 2013	Year Ended March 2012
Total Income	15693.56	9568.16
Total Expenditure	15227.83	9281.51
Profit before Tax	465.73	286.65
<b>Less: Current Tax /Deferred Tax</b>	146.80	122.64
<b>Profit after Tax</b>	<b>318.93</b>	<b>164.01</b>
Balance Brought forward	610.71	518.12
Balance Available for Appropriation	929.64	682.12
<b>Appropriation :</b>		
Proposed Dividend for the Financial year at the rate of Rs.0.40 per share	49.77	31.12
Corporate Dividend Tax	8.46	5.30
Transferred to General Reserves	70.00	35.00
Surplus retained in Profit & Loss account	801.41	610.71

**2. Dividend**

Your Directors are pleased to recommend a dividend of 4.00 % i.e Rupees 0.40 per Equity share of Rs 10 each for the year ended March 31st, 2013, resulting out flow will be Rs 58.23 lacs (inclusive of dividend distribution tax). Your Directors further proposes to transfer to General Reserves an amount of Rs 70.00 lacs out of the profit.

**3. Finance**

The requirement of Working Capital finance has been sanctioned by the consortium of banks under leadership of State Bank of Hyderabad.

**4. Deposits :**

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

**5. Directors' Responsibility Statement:**

In view of the provisions of Section 217(2AA) of the Companies Act 1956, your Directors state that in preparation of the Financial Statements for the year ended 31st March, 2013:

- The applicable Accounting Standards have been followed by the Company, with necessary explanation for material departure, if any;
- The accounting policies adopted and applied consistently, in the opinion of the Directors are reasonable and prudent and gives true and fair view of the state of affairs of the Company at the end of the financial period and of the Profit of the Company for the year ended on that date;

- c) The proper and sufficient care was taken for the maintenance of the adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) The accounts have been prepared on a going concern basis.

**6. Committees:**

In terms of the provisions of Companies Act, 1956, and considering the requirement under Clause 49 of the Listing Agreement of the Stock Exchanges, Audit Committee, Shareholders' Grievance Committee, Management Committee and Managerial Remuneration Committee have been formed with the required number of Independent Directors of the Company.

**7. Directors:**

In terms of the provisions of the Companies Act 1956 and the Articles Association of the Company, Mr. Manoj More, Mr. Joseph Mckay and Mr Harmohindar Singh Dhingra the Directors, are liable to retire by rotation at the ensuing Annual General Meeting Being eligible offers themselves for re-appointment.

**CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement with BSE & NSE, Management Discussion and Analysis, Corporate Governance Report, Auditors' Certificate regarding compliance of conditions of Corporate Governance and CEO Certificate on Code of Conduct is made as a part of the Annual Report.

**8. Auditors:**

M/s. R K Chaudhary & Associates, Chartered Accountants, Mumbai, retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

The company has received a confirmation from them to the effect that their appointment, if made, would be within the prescribed limits U/S 224 (1B) of the Companies Act, 1956.

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 217 of the Companies Act, 1956.

**9. Cost Auditors**

M/s NNT & Co, the Management Cost Accountants, Mumbai retire at the conclusion of the forthcoming Annual general Meeting and being eligible, offer them-selves for re-appointment.

**10. Management Discussion and analysis**

Pursuant to Clause 49(IV) (B) & (F) of the Listing Agreement your directors wish to report as follows:

**a. ECONOMY OUTLOOK:**

Moderation of growth over the past year is a pertinent concern on the weakening of economic fundamentals for the country. Structural bottlenecks, slow policy movement, stubborn interest rates on account of high inflation, declining exports, low non-food credit growth, declining industrial growth and subdued demand for both consumption and investment has led to the systematic decline in the overall economic growth of the country in FY13

During FY13 overall industrial production grew by 1.0%, with mining registering negative growth and manufacturing registering near zero growth. Electricity alone registered robust growth of 4.7% and was the prime driver of IIP; this too appears to have lost steam in February, going by production numbers of the core industries.

Weakness in production in the manufacturing sector has further, been accentuated by volatility in capital goods production consequent on lower level of capital investments.

The industrial activity is likely to pick up in FY14 and grow by 4.0 - 5.0% with mining projected to grow by about 2.0%, electricity by 7.0% and manufacturing activities in the range of 4.0 - 5.0%.

Backed by recovery in global growth prospects and revival of consumption demand for imported goods in advanced economies trade would pick-up. Mathematically speaking, trade growth would appear robust and high, primarily driven by low-base effect...

Going forward, exports to grow by 8.0% - 10.0% and imports by 10.0% - 12.0% in FY14. This would result in a mild increase in the trade deficit in absolute terms. In relative terms however, as a percentage of GDP, the ratio is expected to improve, backed by a higher GDP base.

With demand for dollars remaining high, the rupee is bound to reflect some weakness. Mild comfort is expected to come from improved current account balance and increased capital inflows...

The rupee has depreciated from an annual average rate of Rs 45.9 to a dollar in FY08 to Rs 48.0 to a dollar in FY12. This has further depreciated 5.0%, to Rs 54.40 to a dollar during FY13; also there have been days of considerable depreciation when the exchange rate has crossed even the Rs 57 to a dollar rate during the year

Slow growth has depressed corporate profitability, stressing balance sheets and weakening sentiment as well as expectations. The turn for a reforms agenda picked in the second-half of FY13 and a continuance of such proactive measures is expected to boost growth. The growth trajectory is seen to pick gradually in H1 FY14 with greater momentum in H2 FY14.

**Nature & Present Scenario in India.**

Forging industry is a basic industry and such industries tend to grow in a country in relation to the rate of growth of its GDP. As far as India is concerned, we expect our GDP to continue to grow and therefore, all the basic industries will grow and so will the forging industry.

Thanks to outsourcing, opportunities for exports are huge. An increasing number of companies from all over the world are coming to India to procure components and products. There are two growth drivers-one is the domestic growth in the automotive sector, and the other one is outsourcing. It's an industry that is generally technocrat driven because it has large technology content.

**The Future Outlook :**

The fortunes of the forging industry are on a rise - it has consistently recorded a notable increase in production, Capacity utilisation and exports. Among the various segments of the forging business, it is the auto, mobile-related segment that is being talked about the most these days.

Global automotive giants are looking at India as a competent supply base and are shopping for their components here. The industry, clearly, is one of our best bets to garner a substantial market share in the manufacturing sector, which as of now, is regarded as China's stronghold. No economy that aspires to hold sway in the global arena can afford not to lay emphasis on the manufacturing industry.

**Current out Look:**

As the growth is visibly noticed and already having foot forward, Hilton Metal has decided to strengthen the following areas: Focus for increase in productivity and technology up gradation and modernization of the units to comply with global quality standards.

Improve operational efficiencies.

Acquire latest technologies with added emphasis on IT, CAD/CAM, and other forms of computer-based technologies to produce quality forgings conforming to international standards with best yields.

In order to reduce consumption of costly oil and power, as also to make industry environment-friendly, the company has decided to opt for energy audit.

**b. FINANCIAL MANAGEMENT**

The Company has a Financial Management Information System in place, which involves preparation of detailed Annual Business plan for the current year and a broad forecast of projection for successive years, which is reviewed every year. Capital expenditure commitments, if any and borrowing plans are based on these forecasts.

The overall financial picture of 2012-2013 is satisfactory. With close monitoring of costs and expenses, this year ended with pre- tax profit of Rs 465.73 lacs (previous year Rs 286.65 lacs)

**c. HUMAN RESOURCE MANAGEMENT**

For this Financial Year, the Company continued its efforts in the Human Resources policies and processes to further its performance by way of appreciable changes. The Company had introduced and implemented the Performance-Linked Incentive Scheme which is paying rich dividends. The periodic review of HR policies commensurate with value-based human resource management tools have been introduced ensuring harmony, thereby optimizing human resource as a force multiplier. This has led to a positive and homogeneous work culture lending to greater productivity.

At Hilton, we believe training is mandatory at all levels of the Organisation. Be it fresh recruit or department head or manager or a Director; it is necessary and obligatory for everyone to train for good leadership, communication, decision making, creative thinking, setting goals and team work. Thus, the Company has undertaken training initiative for the Employees and Managerial Personnel to sharpen the raw pearls and hone their skills.

**d. INTERNAL CONTROLS AND SYSTEM**

Your Company has always believed in free flow of information in the organisation and has continued to keep focus on processes and controls. The company has in house qualified and experienced team. The company also has appointed Internal Auditors.

The Company has an appropriate internal control system for the business processes, with regard to the efficiency of operations, financial reporting, compliance with applicable laws and regulations.

Clearly defined roles and responsibilities for all the managerial persons have been established. The Company practices quality management system for design, planning and construction that complies with International quality standards. All operating parameters are periodically monitored and well controlled. Concurrent internal audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors reviews the effectiveness of internal controls and suggests improvements for strengthening it, whenever required.

**e. RISKS AND CONCERNS**

Your Company is continuously evolving and improving systems and measures to take care of all the risk exigencies involved in our business in addition to specific risk which are to do with the company's business model. These risks include:

- a) Market Risk
- b) Currency Risk
- c) Interest Rate Risk
- d) Insolvency Risk

**f. STATUTORY COMPLIANCE**

The Company has complied with all the statutory requirements. A declaration regarding compliance of the provisions of the various statutes is also made by the Managing Director at each Board Meeting. The Company ensures compliance of the ROC, SEBI Regulations and provisions of the Listing Agreement.

**g. CAUTIONARY STATEMENT**

This management discussion and analysis contains forward looking statements that reflects our current views with respect to future events and financial performance. Our actual results may differ materially from those anticipated in the forward looking statements as a result of many factors.

**11. Disclosure of particulars with respect to conservation of energy, foreign exchange earning / outgo etc :**

Statement giving particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under section 217(1)(e) of the Companies Act, 1956 is annexed.

**12. Particulars of Employees**

The statement under sub-section (2A) of section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended and forming part of this report is given in annexure. The annexure shall, however, be provided to the member on request to be made to the Company Secretary.

During the period under review, relation with the workmen continued to remain cordial. The Company has and possesses good faith and trust of the workers and continues having best industrial relation with its workmen force.

**13. Acknowledgements:**

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

The Board also takes this opportunity to express its deep gratitude for the continued co operation and support received from its valued shareholders.

The Directors express their special thanks to Mr Yuvraj Malhotra, Chairman and Managing Director for his untiring efforts for the progress of the Company.

**For and on behalf of the Board of Directors**

**Mumbai**  
**Dated: 28/05/2013**

**Yuvraj Malhotra**  
**Chairman and Managing Director**

## Annexure to Directors' Report

### A. Conservation of Energy

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

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

With proper planning and awareness, consumption of electricity and diesel was reduced compared to previous year. Proposed work area includes furnaces, water cooling plants, servo control voltage stabilizers for lighting, compressed air systems and selection of energy efficient plant and machinery.

#### Form A

(See Rule2)

Power and Fuel Consumption	Current year ended 31-03-2013	Previous year ended 31-03-2012
1. Electricity		
Purchased Units (KWH)	2834615	3445952
Total Amount (in Rupees)	21386026	21207515
Rate/unit (Rs.)	7.54	6.15
2. Furnace Oil		
Quantity (KLS)	1047	840
Total Amount (Rupees)	43196130	31561194
Average Rate Per KLS	41265	37554.07

### B. Consumption per unit of production

The company produces wide range of forgings, flanges and other allied products hence to calculate product wise energy consumption is difficult proposition.

#### FORM – B

#### (DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT (R & D) TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION:

1. Efforts made towards technology absorption, adaption and innovation: sustained efforts are made to reduce the consumption of raw material by using versatile designing and multiple lay-out of dies.
2. Benefits derived as a result of the above: Reduction in consumption of raw material.

#### EXPORT INITIATIVES:

More than half of the turnover of the company is achieved through Exports. The company is taking initiative and putting major thrust on exports. The company has policy to take part in exhibitions on or for Forging Products and Steel products held world-wide. This has benefitted the company since it could include quite a few new customers in its client base. The Company intends to explore the possibility of stock and sell in the US market especially in Oil and Gas sector. Various persons / agencies have been recruited to prepare the feasibility report.

#### FOREIGN EXCHANGE EARNING AND OUTGO:

Activities relating to Exports: Our Foreign Exchange Earning through exports was to the tune of Rs 7863.18 Lacs. The Company's outgo of foreign exchange activities amounted to Rs 40.89 Lacs particulars of Foreign Exchange earnings and the utilization during the period appears in Schedule XVI to the accounts.

Initiative taken to increase Exports etc;

1. Company regularly participates in various exhibition held in foreign, displaying its products approved by quality awarders world-wide and also demonstrate the company's competitiveness in quality and cost factors.
2. The Company is exercising level best efforts to multiply its relation with existing customers by fulfilling their supply needs.

**For and on behalf of the Board of Directors**



**CORPORATE GOVERNANCE REPORT**

**1) COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE:**

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

**2) BOARD OF DIRECTORS:**

**A. Composition and size of the Board:**

The Board has an optimum combination of executive, Independent and Non-Executive Directors. The total strength of the Board is of 7 Directors in the financial year 2012-13. The Board has more than 50% of Non-Executive Directors. While the Board has two Executive Directors i.e. the Managing Director and a Whole Time Director, other five Directors are Non-Executive and Independent Directors.

**B. Board Meetings:**

4 Board Meetings were held at Mumbai during the year under review The Board Meetings were held on 18th May, 2012, 6th August, 2012, 2nd November, 2012 and 25th January, 2013 The maximum gap between two Board Meetings did not exceed the prescribed time in clause 49 of the Listing Agreement. The details of composition and category of Directors, their Attendance at Board Meeting/ Annual General Meeting, other positions in Board/Committee of the Board are as under:

Name of Directors	Designation/ Category of Directors	No. of Board Meetings attended in F.Y.2012-2013	Attendance at A.G.M.	No. of other Directorship \$	Membership of other Board Committees
Mr. Yuvraj Malhotra	Chairman & Managing Director, Executive	4	Yes	Nil	Nil
Mr. Navraj Malhotra	Whole time Director Executive	4	Yes	Nil	Nil
Mr. Joseph McKay	Independent Director Non Executive	0	No	Nil	Nil
Mr. Sanjay Jain	Independent Director Non Executive	0	No	Nil	2
Mr. Manoj Kumar More	Independent Director Non Executive	2	No	1	2
Mr. Navin Chokshi	Independent Director Non Executive	2	No	2	Nil
Mr. Harmohindar Singh Dhingra	Independent Director Non Executive	4	Yes	Nil	2

\$ This excludes Directorship held in other Private Limited Companies.

All the information as required under Annexure 1A of clause 49 of the Listing Agreement, as is required from time to time, is tabled before the Board for it's consideration.

**C. Share holding of Non-Executive Directors:**

Sr.No.	Name of Directors	Shareholdings in the Company
1.	Mr. Sanjay Jain	Nil
2	Mr. Joseph McKay	Nil
3.	Mr. Manoj Kumar More	Nil
4.	Mr. Navin Chokshi	Nil
5.	Mr. Harmohindar Singh Dhingra	Nil

**3) COMMITTEES OF DIRECTORS:**

The Board has constituted the following Committees of Directors:

**a) Audit Committee:**

Role of Audit Committee and its terms of reference include:

- To focus it's attention on subjects relating to accounting standards, internal controls and financial policies.
- To oversee the Company's financial reporting process and disclosure of its financial information.

- To review the financial statement before submission to the Board of Directors.
- To hold discussion with Management regarding the internal control system.
- To hold prior discussion with external auditors regarding scope and nature of audit before commencement of the audit and also to have pos audit discussion on the areas of concern.

The Audit Committee met 4 times during the year on 18th May, 2012 , 6th August, 2012, 2nd November, 2012 and 25th January, 2013. All the meetings were chaired by Mr.Harmohindar Singh Dhingra . The composition, names of the members, chairperson, particulars of the meeting and attendance of the member during year are as follows:

Sr.No.	Names of Members	Designation	Category of Director	Attendance Meeting
1	Mr. Harmohindar Singh Dhingra	Chairman	Independent non executive	4
2	Mr. Manoj Kumar More	Member	Independent non executive	4
3	Mr. Sanjay Jain	Member	Independent non executive	1

**b) Remuneration Committee:**

The Remuneration Committee has been constituted to recommend/ review the remuneration package of the Managing / Whole time Directors, based on performance and defined criteria. Mr. Harmohindar Singh Dhingra was the Chairman of the Committee; The Committee has been authorized to determine the remuneration package for any Executive Directors as well as remuneration payable to the non-executive Directors from the year to year.

The composition of the committee is as follows:

Sr.No.	Name of Members	Designation	Nature of Directorship
1.	Mr. Harmohinder Singh Dhingra	Chairman	Non-Executive, Independent
2.	Mr. Manoj Kumar More	Member	Non-Executive, Independent
3.	Mr. Sanjay Jain	Member	Non-Executive, Independent

The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee thereof attended by them. Other than sitting fees, no other remuneration paid to the Non-Executive Directors for the year 2012-13. Details of Remuneration paid to the Directors for the year ended 31st March, 2013 are as follows:

Directors	Relationship with the other Directors	Business Relationship	Sitting Fees	Salary/ Perquisites	Contribution to P.F.	Total
Mr.Yuvraj Malhotra	Brother of Mr.Navraj Malhotra	Promoter	Nil	64,50,000	Nil	64,50,000
Mr. Navraj Malhotra	Brother of Mr.Yuvraj Malhotra	Promoter's family	Nil	9,00,000	Nil	9,00,000
Mr. Joseph McKay	None	None	Nil	Nil	Nil	Nil
Mr. Navin Chokshi	None	None	4000	Nil	Nil	4000
Mr. Manoj Kumar More	None	None	4000	Nil	Nil	4000
Mr.Harmohindar Singh Dhingra	None	None	8000	Nil	Nil	8000
Mr. Sanjay Jain	None	None	Nil	Nil	Nil	Nil

**c) Investors Grievance Committee:**

The Company has constituted an Investor Grievance Committee. The terms of reference of the Committee is to redress Shareholders and Investors complaints, to review all matters connected with the share transfers and to review status of legal cases involving the investors where the Company has been made a party.

The Company's Registrar & Share Transfer Agents, M/s Sharex Dynamic (India) Private Limited are fully equipped to carry out the transfers of shares and redress Investor complaints.

The composition of the Investor's Grievance Committee is as follows.

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

No meeting of the Committee held during the year.

Details in respect of Compliance Officer:

Sr.No.	Name	Designation of Compliance officer
1	Mr. Suryakant Mayani	CFO

Details of Investors Complaints received during 2012-13 are as follows:

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

**4. GENERAL BODY MEETINGS:**

The Location and time of the Annual General Meetings held during last 2 years are as follows:

AGM	DATE	TIME	VENUE	SPECIAL RESOLUTIONS PASSED
6th	28.09.2011	4.00 PM	701, Palm Spring, Link Road Malad West, Mumbai-400064	NIL
7th	29.09.2012	11.30AM	701, Palm Spring, Link Road Malad West, Mumbai-400064	NIL

No item of Business, which required the member's approval through postal Ballot, was transacted during the year 2012-13. Accordingly the Companies (Postal Ballot) rules 2001 are not applicable during the said year.

**5) DISCLOSURES:**

- There was no transaction of material nature with the Promoters, Directors, Management or their relatives during the financial year of the Company, which could have potential conflict with the interests of the Company at large. However, the transactions detailed in Note no. of Schedule annexed to the Accounts may be considered as related party transactions.
- The Company does not have a Whistle Blower Policy. All the same, no personnel of the Company have been denied access to the grievance redressal mechanism of the Company.
- The Company is in Compliance with all the mandatory Provisions of clause 49 of the Listing Agreement.

**6) MEANS OF COMMUNICATION:**

- The Annual, half yearly and Quarterly results submitted to the Stock Exchange and published in Newspapers in accordance with the Listing Agreement.

Company's un-audited quarterly results for Quarter ended 30th June, 2012, 30th September, 2012, 31st December, 2012 were published in the Free Press Journal ,Mumbai(English Daily) and Navshakti (Vernacular Daily). The audited results for the year ended 31st March, 2012 were published in the Free Press Journal, Mumbai (English Daily) and Navshakti (Vernacular Daily).

- Management Discussion and Analysis forms part of the Director's Report.

**7) (a) General Shareholder Information:**

Annual General Meeting (Date, Time and Venue)	Friday, 30th September, 2013 at 5.00 P M at 701, Palm Spring, Link Road, Malad West, Mumbai – 400064
Financial Calendar	The Company follows April-March as its financial year. The results for every quarter beginning from April are declared in the month following the quarter.
Book Closure date	23th September, 2013 to 30 September, 2013 [Both days inclusive]
Dividend Payment	Within 30 days from AGM date
Listing on Stock Exchanges	Bombay Stock Exchange Limited, P.J. Towers, Dalal Street, Fort, Mumbai-400001  The National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra(East), Mumbai-400051
Registrar & Share Transfer Agents	SHAREX DYNAMIC (INDIA) PVT.LTD. Unit No.1, Luthra Industrial Premises, Andheri - Kurla Road, Safed Pool, Andheri(E), Mumbai-400072  Tel: (022) 28515606 / 44 Fax: (022) 28512885  Business Hours: Monday to Friday: 10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m. Contact Person: Mr. T. Sasikumar

Share Transfer System	The power of approving transfer of securities has been delegated to the Company's Registrar and Share Transfer Agent, M/s Sharex Dynamic (India) Pvt. Ltd., Mumbai.
Plant Location	Plot Nos. 1,2,3,15,21,25,26,28,& 30, SHAH & MEHTA IND. ESTATE, Village-Ghonsai, Tal. Wada, Dist. Thane
Address Correspondence	Hilton Metal Forging Limited, 701, Palm Spring, Palm Court Complex, Link Road, Malad (West), Mumbai-400064
Scrip Code	BSE : 532847 NSE : HILTON
ISIN Number for NSDL and CDSL	INE 788H01017

(b) Profile of Directors seeking appointment/ re-appointment at the Annual General Meeting are furnished below:

Name of the Director	Mr Manojkumar More	Mr Joseph Mc Kay	Mr Harmohinder Singh Dhingra
Date of Birth	01/05/1971	March, 8 1940	June, 13 1938
Date of Appointment	29/03/2006	May, 30 2006	March, 29 2006
Area of Expertise	Finance and Accounts	Metallurgy	Banking
Qualification	B.Com, F.CA	ONC Metallurgy	B.Com, M.A. LL.B, CAIIB, ACCS (London)
List of Other companies incorporated in India in which Directorships held as on 31st March, 2013	Acquitor Financial Services Pvt Ltd Ken Financial Services Ltd. Sumangal Shares & Securities Pvt Ltd. Sumangal Commodities Pvt Ltd. Khattu Land & Property Traders Pvt Ltd Harivardhan Steel & Alloys Pvt Ltd Ridhi's High Fashion Pvt Ltd. DJS Stock & Shares Ltd	Nil	Nil
List of Chairmanships/memberships of committees of the board of other public companies incorporated in India in which Directorships held as on 31st March, 2013	Nil	Nil	Nil
No of Shares held in the company prior to the date of appointment	Nil	Nil	Nil

(c) Market Price Data: High/Low during each month of 2012-13 on Stock Exchange, Mumbai:

Market Price Data Month	Share prices of the Company for the Period April 2012 to March, 2013			
	Bombay Stock Exchange		The National Stock Exchange of India	
	High(Rs)	Low(Rs)	High(Rs)	Low(Rs)
April, 2012	15.55	13.95	15.50	13.75
May, 2012	15.45	13.00	17.70	12.70
June, 2012	14.25	12.00	16.60	12.00
July, 2012	13.75	11.03	14.30	10.60
August, 2012	12.45	10.80	12.65	10.60
September, 2012	12.65	11.02	12.50	10.80
October, 2012	12.55	11.00	12.90	10.95
November, 2012	12.45	10.85	11.90	11.00
December, 2012	11.95	10.85	11.80	11.60
January, 2013	12.20	10.26	12.25	11.15
February, 2013	12.25	10.20	13.15	11.80
March, 2013	11.27	9.51	11.45	10.80

**(c) Performance of the Scrip in comparison to BSE Sensex:**

Month	BSE SENSEX		NIFTY	
	HIGH	LOW	HIGH	LOW
			Rs	Rs
April,2012	17664	17010	5371	5154
May ,2012	17432	15810	5280	4789
June,2012	17448	15749	5286	4770
July,2012	17631	16598	5349	5032
August,2012	17973	17027	5449	5165
September,2012	18870	17251	5735	5216
October,2012	19137	18393	5815	4888
November2012	19373	18256	5885	5548
December,2012	19612	19149	5965	5823
January, 2013	20204	19509	6112	5935
February, 2013	19967	18794	6053	5672
March, 2013	19755	18568	5971	5605

**(d) Categories of Shareholding as on 31st March, 2013:**

Categories	Number of Shares	Amount in Rs	%
Promoters, Directors, Relatives and Companies under the same Management	6498139	64981390	52.22
Mutual Funds	0	0	0
Banks	0	0	0
FII(s)	583000	5830000	4.68
Private Corporate Bodies	440981	4409810	3.54
Indian Public	4681809	46818090	37.64
NRI's	236427	2364270	1.90
Clearing Members	2660	26600	0.02
<b>TOTAL</b>	<b>12443016</b>	<b>124430160</b>	<b>100</b>

**(e) Distribution of Shareholding as on 31st March, 2013:**

No. of equity Shares held	Shareholders		Total Shares	
	Number	% of Total	Shares	% of Total
1-100	3204	39.92	214712	1.73
101-200	1519	18.93	267410	2.15
201-500	1834	22.85	659750	5.30
501-1000	825	10.28	640909	5.15
1001-5000	556	6.93	1104657	8.88
5001-10000	47	0.59	338630	2.72
10001-100000	30	0.37	792088	6.37
100001 and above	11	0.14	8424860	67.71
<b>Total</b>	<b>8026</b>	<b>100</b>	<b>12443016</b>	<b>100</b>

**AUDITORS CERTIFICATE TO THE SHARE HOLDERS ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

We have examined the compliance of conditions of corporate governance by M/s. Hilton Metal Forging Limited, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

The certificate of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above-mentioned Listing Agreement.

We state that as per records maintained by the company, there were no investor grievances remaining unattended / pending for more than one month.

We further state that such compliance 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.

For and on behalf of  
R K Chaudhary & Associates  
CHARTERED ACCOUNTANTS

R K CHAUDHARY  
Proprietor  
C A Regn No 35487

Mumbai: Date: 28th May 2013

**To the Members of**

Hilton Metal Forging Limited

**Report on Financial Statements:**

We have audited the accompanying financial statements of **Hilton Metal Forging Limited** as at March 31, 2013 which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit & Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Managements Responsibility for the Financial Statements:**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in section 211(3C) of the Companies Act, 1956. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentations of the financial statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors Responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion:**

In our opinion and to the best of our information and according to the explanations gives to us, the aforesaid financial statements gives the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act.
2. As required by Section 227(3) of the Act, we report that:
  - a) We have 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 accounts as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;
  - e) On the basis of written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For R. K. CHAUDHARY & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**(REGISTRATION NO.133512W)**

**R. K. CHAUDHARY**  
**PROPRIETOR**  
**M.NO. 035487**

**PLACE: MUMBAI**

**DATE: 28-05-2013**

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2013 OF HILTON METAL FORGING LIMITED

On the basis of such checks as we consider appropriate and in terms of information and explanation given to us, we state that:

1. a. The company has generally maintained proper records showing particulars including quantitative details and situation of fixed assets.
- b. As explained to us, fixed assets according to the practice of the company are physically verified by the Management except Office equipments and Furniture and Fixtures at reasonable intervals as per the phased verification program, which in our opinion, is reasonable, looking the size of the company and the nature of its business. According to the information and explanation given to us, no material discrepancies were noticed on such verification as compared to available records.
- c. In our opinion and according to information given to us, substantial part of the fixed assets has not been disposed of by the company during the year.
2. a. As explained to us, inventories have been physically verified during the period by the management, the stocks of finished goods, stores, spare parts and raw material have been physically verified at reasonable intervals by the Management except in cases of stock in transit and stock lying with some outside parties which have, however been confirmed by them
- b. The procedure explained to us, which are followed by the Management for physical verification of inventories are in our opinion reasonable and adequate in relation to the size of the Company and the nature of its business:
- c. On the basis of our examination of the inventory records of the company, we are of the opinion that, the company is maintaining proper records of its inventory, the discrepancies noticed on physical verification of the inventory as compared with book records were not material.
3. According to the information and explanation given to us, in respect of loans, secured or unsecured granted to or taken from the company to/from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956:
  - a. The company has granted unsecured loans in form of advances to the company/ies, firm/s or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. The terms and condition relating to repayment or interest is prima-facie not prejudicial to the interest of the company. The company has given advances to employees without any time stipulation.
  - b. The company has not taken / availed any loan secured or unsecured from the companies, or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods. Further on the basis of our examination of the books and accounts of the Company and according to the information and explanations given to us, we have neither come across nor have been inform of any continuing failure to correct major weakness in the aforesaid internal control procedures.
5. On the basis of audit procedures performed by us, and according to the information, explanations and representations given to us, we are of the opinion that, the transactions in which directors were interested, and which were required to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
6. In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public to which the provisions of section 58A and 58AA of the Companies Act 1956 and the Rules framed there under are applicable.
7. In our opinion, the internal audit functions carried out during the period by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
8. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the Company's products and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained to the extent applicable.
9. In our opinion the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Sales Tax, customs Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities and therefore no undisputed amounts payable in respect of these dues which remained outstanding as at 31st March 2013 for a period of more than six months from the date they become payable.
10. The Company has neither accumulated losses nor incurred cash losses, during the financial year ended on that date.
11. On the basis of the records examined by us and according to the information and explanation given to us the Company has not defaulted in repayment of dues to financial institutions and banks.



12. As explained to, the Company has not taken any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.
13. The company is not a chit-fund or nidhi mutual benefit fund/society. Hence the provision of the clause 4(XIII) of the Companies (Auditors Report) Order 2003 is not applicable.
14. On the basis of our examination of the documents and records of the Company, the Company is not dealing in or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us and representation made by the Management, the Company has not given any guarantee for loans taken by others from any bank or financial institutions.
16. According to the information and explanations given to us and on an overall examination of financial statements of the Company and after placing reliance on the reasonable assumption made by the Company for clarification of long term and short term usage of funds, we are of the opinion and report that the funds raised on short term basis have not been used for long term investment and vice versa.
17. The Company has not made any preferential allotment of shares
18. On the basis of records and documents examined by us, the Company has not issued any secured debentures during the period.
19. During the period covered by our audit report, the Company has not raised any money by public issue.
20. According to information and explanations given to us and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the Company during the period.

For and on behalf of  
R K Chaudhary & Associates  
CHARTERED ACCOUNTANTS

R K CHAUDHARY  
Proprietor  
C A Regn No 35487

Mumbai:  
Date: 28th May 2013

**HILTON METAL FORGING LIMITED.  
BALANCE SHEET AS AT 31ST MARCH 2013**

(Amount Rs. In lacs)

Particulars	Note No.	Figures As At the end of current reporting Period 31-3-2013	Figures As At the end of Previous reporting Period 31-3-2012
<b>I. EQUITY AND LIABILITY</b>			
(1) <b>Share Holders' Fund</b>			
(a) Share Capital	3	1,244.30	1,244.30
(b) Reserves & Surplus	4	4,618.22	4,357.52
(2) <b>Share Application money pending Allotment</b>			-
(3) <b>Non-current Liabilities</b>			
(a) Long-term borrowings	5	88.75	88.75
(b) Deferred tax liabilities (net)	31	524.51	466.46
(4) <b>Current Liabilities</b>			
(a) Short-term borrowings	6	1,803.83	2,353.48
(b) Trade Payables	7	2,543.42	2,113.41
(c) Other Current Liabilities	8	16.62	35.21
(d) Short-term Provisions	9	146.97	86.58
<b>TOTAL</b>		<b>10,986.63</b>	<b>10,745.72</b>
<b>II. ASSETS</b>			
(1) <b>Non Current Assets</b>			
(a) Fixed Assets			
(b) Tangible Assets	10	3,647.14	3,827.85
(c) Long-Term Loan and Advances	11	163.91	155.87
(d) Other non-current assets	12	191.34	239.18
(2) <b>Current Assets</b>			
(a) Current Investments	13	0.51	68.32
(b) Inventories	14	3,446.37	4,342.27
(c) Trade Receivables	15	2,080.59	1,349.93
(d) Cash and Cash Equivalents	16	181.73	92.84
(e) Short term loans and Advances	17	1,275.04	669.46
<b>TOTAL</b>		<b>10,986.63</b>	<b>10,745.72</b>
see accompanying notes to the financial statements	28		

As per our report of even date  
**For R K Chaudhary & Associates**  
**CHARTERED ACCOUNTANTS**

**For and on behalf of the Board of Directors**

**R K Chaudhary**  
**Proprietor**  
**M No : 35487 FRN NO 133512W**

**Yuvraj Malhotra**  
**Chairman & Managing**  
**Director**

**Navraj Malhotra**  
**Whole Time**  
**Director**

Place: Mumbai  
Date: 28-05-2013

**HILTON METAL FORGING LIMITED**  
**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013**

(Amount Rs. In lacs)

Particulars		Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
I.	Revenue from operations	18	15,680.86	9,562.33
II.	Other Income	19	12.70	5.83
III.	<b>Total Revenue (I + II)</b>		<b>15,693.56</b>	<b>9,568.16</b>
IV	Expenses			
	Cost of Material Consumed	20a	7,943.24	5,721.57
	Purchase of Stock-in trade	20b	4,398.76	1,030.77
	Change in inventories of finished goods, work-in progress	21	(141.64)	(30.95)
	Employees Benefit Expenses	22	542.37	456.95
	Finance Costs	23	377.22	365.24
	Depreciation and Amortisation Expenses		199.15	197.96
	Other Expenses	24	1,908.72	1,539.98
	<b>Total Expenses</b>		<b>15,227.83</b>	<b>9,281.51</b>
V	Profit before exceptional and extraordinary items and tax (III - IV)		465.73	286.65
VI	Exceptional Items		-	-
VII	<b>Profit before extraordinary items and tax (V-VI)</b>		465.73	286.65
VIII	Extraordinary Items		-	-
IX	<b>Profit Before Tax (VII-VIII)</b>		465.73	286.65
X	Tax Expenses			
	(1) Current Tax		88.74	50.16
	(2) Deferred Tax		58.05	72.49
XI	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		318.93	164.01
XVI	<b>Earning per equity share:</b>			
	(1) Basic		2.56	1.32
	(2) Diluted		2.56	1.32
	See accompanying notes to the financial statements	28		

As per our report of even date

For and on behalf of the Board of Directors

**For R K Chaudhary & Associates**  
**CHARTERED ACCOUNTANTS**

R K Chaudhary  
Proprietor  
M No : 35487 FRN No 133512W  
Place: Mumbai  
Date: 28/5/2013

**Yuvraj Malhotra**  
**Chairman & Managing**  
**Director**

**Navraj Malhotra**  
**Whole Time**  
**Director**

<b>Hilton Metal Forging Limited</b>	
<b>Notes forming part of the financial statements</b>	
<b>Note</b>	<b>Particulars</b>
<b>1</b>	<p><b>Corporate information</b></p> <p>The company established in 2005 is manufacturer of iron and steel forging and recognized export house presently catering to the needs of Oil and Gas, Refineries and pharmaceutical industries. The company has its plant at Village Ghonsai, Taluka Wada, Dist Thane and Corporate office at 701 Palm Spring, Link Road, Malad West, Mumbai 400064, Maharashtra.</p>
<b>2</b>	<p><b>Significant accounting policies</b></p> <p>The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis except those having significant uncertainties.</p>
<b>2.1</b>	<p><b>Basis of accounting and preparation of financial statements</b></p> <p>The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.</p>
<b>2.2</b>	<p><b>Use of estimates</b></p> <p>The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.</p>
<b>2.3</b>	<p><b>Inventories</b></p> <p>Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.</p>
<b>2.4</b>	<p><b>Cash and cash equivalents (for purposes of Cash Flow Statement)</b></p> <p>Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.</p>
<b>2.5</b>	<p><b>Cash flow statement</b></p> <p>Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>
<b>2.6</b>	<p><b>Depreciation and amortisation</b></p> <p>Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under:</p> <p>Vehicles - 4 years Computers and data processing equipments - 4 years</p> <p>The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.</p>

**Hilton Metal Forging Limited**  
**Notes forming part of the financial statements**

**Note 2 Significant accounting policies (contd.)**

Note	Particulars
<b>2.7</b>	<p><b>Revenue recognition</b></p> <p><u>Sale of goods</u> Revenues / Income is generally accounted on accrual basis as they are earned. Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.</p> <p><u>Other income</u> Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.</p>
<b>2.9</b>	<p><b>Tangible fixed assets</b></p> <p>Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.</p> <p>Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.</p> <p>The Company till date has not revalued its assets.</p> <p>Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realizable value and are disclosed separately in the Balance Sheet.</p> <p>Capital work-in-progress: Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.</p>
<b>2.11</b>	<p><b>Foreign currency transactions and translations</b></p> <p><u>Initial recognition</u> Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.</p> <p><u>Measurement of foreign currency monetary items at the Balance Sheet date</u> Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates. In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.</p>

<b>Hilton Metal Forging Limited</b>	
<b>Notes forming part of the financial statements</b>	
<b>Note 2 Significant accounting policies (contd.)</b>	
<b>Note</b>	<b>Particulars</b>
	<p><u>Treatment of exchange differences</u></p> <p>Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognized as income or expense in the Statement of Profit and Loss. The exchangedifferencesonrestatement/settlementofloanstonon-integralforeignoperations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment. The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalized as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortized on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortized balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon.</p> <p><u>Accounting of forward contracts</u></p> <p>Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortized over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Refer Notes 2.23 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.</p>
<b>2.12</b>	<p><b>Government grants, subsidies and export incentives</b></p> <p>Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.</p>
<b>2.13</b>	<p><b>Investments</b></p> <p>Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.</p>
<b>2.14</b>	<p><b>Employee benefits</b></p> <p>Employee benefits include provident fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits.</p> <p><u>Defined contribution plans</u></p> <p>The Company's contribution to provident fund is considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.</p> <p><u>Defined benefit plans</u></p> <p>Retirement Benefits to the employees will be accounted in the year of actual payment. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. these benefits includes performance incentives and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. the cost of such compensated absences is accounted as under:</p> <p><u>Short-term employee benefits</u></p> <p>The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :</p> <p>(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and</p> <p>(b) in case of non-accumulating compensated absences, when the absences occur.</p> <p><u>Long-term employee benefits</u></p> <p>Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.</p>

**Hilton Metal Forging Limited**  
**Notes forming part of the financial statements**

**Note 2 Significant accounting policies (contd.)**

Note	Particulars
<b>2.15</b>	<p><b>Borrowing costs</b></p> <p>Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.</p>
<b>2.16</b>	<p><b>Segment reporting</b></p> <p>The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.</p> <p>The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. The Company is mainly engaged in Manufacturing of Steel Forgings and Forged Fittings and is considered only one segment in the context of Accounting standard (AS) 17 "Segment Reporting"</p>
<b>2.17</b>	<p><b>Earnings per share</b></p> <p>Basic earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.</p>
<b>2.18</b>	<p><b>Research and development expenses</b></p> <p>Revenue Expenditure, including overheads on Research and Development is charged out as expenditure through the natural heads of the expenses in the year in which incurred.</p>
<b>2.19</b>	<p><b>Joint venture operations</b></p> <p>The company doesn't have any joint venture.</p>
<b>2.20</b>	<p><b>Impairment of assets</b></p> <p>The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.</p>

**Hilton Metal Forging Limited**  
**Notes forming part of the financial statements**

**Note 2 Significant accounting policies (contd.)**

Note	Particulars
<b>2.21</b>	<p><b>Taxes on income</b></p> <p>Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability. Current and deferred tax relating to items directly recognized in equity are recognized in equity and not in the Statement of Profit and Loss.</p>
<b>2.22</b>	<p><b>Provisions and contingencies</b></p> <p>A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.</p>
<b>2.23</b>	<p><b>Derivative contracts</b></p> <p>The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement". These forward contracts are stated at fair value at each reporting date. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognized in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.</p>
<b>2.24</b>	<p><b>Share issues expenses</b></p> <p>Share issue expenses and per-operative expenses are written off and charged to profit and loss account. The balance to the extent not written off is carried as an asset and is amortized over a period of 10 years.</p>



**HILTON METAL FORGING LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENT**

	As at 31-3-2013		As at 31-3-2012	
	Number of Shares	Amount (Rs.)	Number of Shares	Amount (Rs.)
<b>NOTE 3 : SHARE CAPITAL</b>				
<b>AUTHORISED</b>				
Equity shares of Rs 10 each with voting rights	15000000	1,500.00	15000000	1,500.00
<b>ISSUED</b>				
Equity shares of Rs 10 each with voting rights	12443016	1244.30	12443016	1244.30
<b>SUBSCRIBED AND FULLY PAID UP</b>				
Equity shares of Rs 10 each with voting rights	12443016	1244.30	12443016	1244.30
		<u>1244.30</u>		<u>1244.30</u>

Presently the company has issued only equity shares with voting rights which are fully sub-scribed

**Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period.**

Equity Shares of Rs 10 each	12443016	1244.30	12443016	1244.30
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During the period under reporting no fresh issues on account of fresh Equity, Bonus, ESOP, conversion of buyback has taken place.

**Details of rights, preference and restricting to each class of shares**

There is no holding or subsidiary company and voting rights are not restricted .

**Details of Share held by each Share Holder holding more than 5% shares**

	As at 31-3-2013		As at 31-3-2012	
	Number of Shares	% holding in that class of shares	Number of Shares	% holding in that class of shares
Equity Share with Voting Rights				
Yuvraj Hiralal Malhotra	5527874	44.43%	5498512	44.19
Diskha Malhotra	672812	5.41%	672812	5.41

**NOTE 4 : RESERVES AND SURPLUS**

	As at 31-3-2013	As at 31-3-2012
(a) Securities Premium Account		
Opening Balance	3361.81	3361.81
Add Premium on Shares issued during the year	0.00	0.00
Closing Balance	<u>3361.81</u>	<u>3361.81</u>
(b) General Reserves		
Opening Balance	385.00	350.00
Add : Transferred from surplus statement of Profit and Loss	70.00	35.00
Closing Balance	<u>455.00</u>	<u>385.00</u>
(c) Surplus /(deficit) in statement of Profit and Loss		
Opening Balance	610.71	518.13
Add Profit/(Loss) for the year	318.93	164.00
Less : Interim Dividend		
Dividend Proposed to be distributed to equity Share holders (Rs 0.40 per share)	49.77	31.12
Tax on Dividend Distribution	8.46	5.30
Transferred to General Reserve	70.00	35.00
Closing Balance	<u>801.41</u>	<u>610.71</u>
Total	<u>4618.22</u>	<u>4357.52</u>

**HILTON METAL FORGING LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENT**

As at 31-3-2013

As at 31-3-2012

**NOTE 5 : LONG TERM BORROWINGS**

(a) Deferred Payment Liabilities		
Sales Tax - MVAT Liability	88.75	88.75
	<u>88.75</u>	<u>88.75</u>

Details of terms of repayment for the long term borrowings and security provided in respect of. Sales Tax - MVAT Liability - Deferred repayable in 5 yearly installments from 11th year of 1st deferral. 1st such installment is scheduled for repayment in 2014-15

**NOTE 6 : SHORT TERM BORROWINGS**

**Loans payable on Demands(Refer Point 1)**

From Banks \_ Secured

(i) Packing Credit Advance	1397.92	1785.07
(ii) Bills Negotiation	0.00	112.92
(iii) Cash Credit	405.91	455.49
	<u>1803.83</u>	<u>2353.48</u>

**(1) Details of security for secured short term Finance**

Loans repayable on demand from

(a) State Bank of Hyderabad - Overseas Br Colaba

(i) Packing Credit Advance	782.66	1063.61
(ii) Bills Negotiation	0.00	25.77
(iii) Cash Credit	223.37	270.42

(b) State bank of India \_ Empire House Fort Br

(i) Packing Credit Advance	615.25	721.46
(ii) Bills Negotiation	0.00	87.14
(iii) Cash Credit	182.55	185.07
	<u>1803.83</u>	<u>2353.47</u>

(Secured By hypothecation of Stocks and Book Debts, both present and future and also guaranteed by Managing Director.

Details of the default in repayment of loan and interest in respect of the following

None

**Note 7 : Trade Payable**

**Trade payable for**

(1) Raw Material	971.56	1487.65
(2) For Expenses	402.38	338.33
(3) Others	1169.49	287.44
	<u>2543.42</u>	<u>2113.41</u>

**NOTE 8 : Other Current Liabilities**

(a) **Other Current Liabilities**

(1) Income Received in advance	3.53	18.69
(2) Trade Payable for Capital Assets	5.25	8.62
(3) Statutory Dues	7.84	7.90
	<u>16.62</u>	<u>35.21</u>

(b) **Details of the terms and conditions, number of shares proposed to be issued, the amount of premium, if any, the period before which the shares are to be allotted.**

None

**NOTE 09 : Short Term Provisions**

(a) Provisions for Tax	88.74	50.16
(b) Provisions for proposed Dividend & Tax there on	58.23	36.42
	<u>146.97</u>	<u>86.58</u>



**HILTON METAL FORGING LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENT**

As at 31-3-2013

As at 31-3-2012

**NOTE 11 : Long Term Loans and Advances**

Advances receivable in cash or kind un-secured considered good.

(a) Capital Advance	9.80	2.00
(b) Security Deposit	29.11	28.87
(c) Others	125.00	125.00
	163.91	155.87

**NOTE 12 : Other non-current assets**

Unamortized / Priliminary Expenses

(i) Public Issue and Pre - Operative Expenses

191.34	239.18
191.34	239.18

**NOTE 13 : Current Investments**

SBI PSU Fund

366 days Market value 71.83 Lacs

Equity Shares of Saraswat Co Op Bank Ltd

(unquoted - Membership shares

0.00	67.81
0.51	0.51
0.51	68.32

**NOTE 14 : Inventories**

(a) Raw material	582.39	1585.62
(b) Semi Finished Goods	1301.13	1068.24
(c) Cut Billets	338.41	0.00
(d) Finished Goods	254.74	415.41
(e) Stores & Spares and Consumables	68.74	64.77
(f) Dies and Tools at Cost	847.09	881.42
(g) Scrap	53.86	326.82
	3446.37	4342.27

**NOTE 15 : Trade Receivable**

Trade Receivable

(Unsecured considered good)

Trade Receivable Outstanding for a period exceeding six months

Other Trade Receivable

42.97	497.38
2037.61	852.55
2080.59	1349.93

**NOTE 16 : Cash and Cash Equivalent**

(a) Cash on Hand	9.13	1.97
(b) Balance with Banks		
- in Current Accounts	60.54	(25.32)
- in EEFC accounts	5.77	20.89
- in Deposit Accounts (Margin Money)	103.23	92.64
- in earmarked Accounts		
un paid dividend account	3.08	2.66
	181.73	92.84

Balance with bank includes deposit with Banks amounting to Rs 103.23 lacs (as at 31 March 2012 Rs 92.64) have an original maturity of more than 12 months.

**HILTON METAL FORGING LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENT**

	As at 31-3-2013	As at 31-3-2012
<b>NOTE 17 : Short Term Loans and Advance</b>		
un secured considered good		
Advances receivable in cash or kind		
(a) Loans and Advances to Employee	4.20	9.26
(b) Pre Paid Expenses	14.72	5.75
(c) Advance Income Tax	93.68	70.86
(d) MAT Credit Entitlement	47.21	35.77
(e) Balance with Government Authorities	560.49	447.82
(f) Other Loans and Advances	554.75	100.00
	<b>1,275.04</b>	<b>669.46</b>
 <b>NOTE 18 : Revenue from Operations</b>		
Sales of Products (net of Returns, rebates etc)	10695.27	8081.53
Sales thru Trading Activity	4491.50	1121.00
Sales of Services (Refer Note ii Below)	231.53	116.93
Other Operating Revenues (Refer Note III Below)	262.57	242.87
	<b>15680.86</b>	<b>9562.33</b>
 <b>Sales of Product Comprises:</b>		
<u>Manufactured Goods</u>		
Seamless Stub Ends	1782.20	1545.12
S S Flanges	5603.04	3090.24
S S Forging	593.10	574.20
C S Forgings	607.10	1275.09
Others	0.00	109.31
Total - Sales thru Manufacturing Activity	<b>8585.44</b>	<b>6593.96</b>
 <u>Traded goods</u>	<b>4491.50</b>	<b>1121.00</b>
Total - Sales thru Trading Activity	<b>4491.50</b>	<b>1121.00</b>
Total - Sales of products	<b>13076.94</b>	<b>7714.96</b>
 <u>Sales of services comprises</u>		
Labour Charges	<b>231.53</b>	<b>116.93</b>
 <u>Other Operational Revenue comprises</u>		
Sales of scrap	2109.83	1487.57
Export Incentives	262.57	242.87
	<b>2372.40</b>	<b>1730.44</b>
 <b>NOTE 19 : Other Income</b>		
Interest Income (from Bank Deposit)	10.95	4.16
Dividend Received	0.10	0.15
Other Non-operating Income	1.65	1.52
	<b>12.70</b>	<b>5.83</b>

**HILTON METAL FORGING LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENT**

	As at 31-3-2013	As at 31-3-2012
<b>NOTE 20a : Cost of Material Consumed</b>		
Opening Stock	1585.62	1588.76
Add: Cost of Purchase	7099.41	5891.08
	<b>0.00</b>	
	<u>8685.03</u>	<u>7479.84</u>
Less: Sales	159.40	172.65
	<u>8525.63</u>	<u>7307.19</u>
Less: Closing stock	582.39	1585.62
	<u>7943.24</u>	<u>5721.57</u>
Raw Material Consumed comprises		
Grade 304 L and equivalent	2410.91	1423.36
Grade 316 L and Equivalent	4959.45	2795.35
Grade A 105 and equivalent	284.81	1041.31
Others	288.07	461.55
	<u>7943.24</u>	<u>5721.57</u>
<b>NOTE 20b : Purchase of Traded goods</b>		
Various items	<u>4398.76</u>	<u>1030.77</u>
<b>NOTE 21 : Change in Inventories</b>		
<b>Work-in-progress and stock in trade</b>		
<b>Closing Stock</b>		
Semi finished Goods	1301.13	1068.24
Cut Billets	338.41	0.00
Finished Goods	254.74	415.41
scrap	53.86	326.82
Stores& Fuel	68.74	64.77
	<u>2016.88</u>	<u>1875.24</u>
<b>Less: Opening Stock</b>		
Semi finished Goods	1068.24	1093.95
Finished Goods	415.41	627.71
Scrap	326.82	57.20
Stores& Fuel	64.77	65.42
	<u>1875.24</u>	<u>1844.28</u>
Net (Increase)/Decrease	<u>(141.64)</u>	<u>(30.95)</u>
<b>NOTE 22 : Employees befits Expenses</b>		
<b>Employees Benefit Expenses</b>		
Salary, Wages & Bonus	437.17	358.78
Remuneration to Directors	73.78	67.41
Contribution to Provident Fund	5.21	5.13
Gratuity	0.22	0.15
Staff Welfare Expenses	25.99	25.48
	<u>542.37</u>	<u>456.95</u>
<b>NOTE 23 : Finance Costs</b>		
<b>Interest Expenses on</b>		
1. Borrowings	292.72	319.08
2. Trade payable	84.50	46.16
	<u>377.22</u>	<u>365.24</u>

**HILTON METAL FORGING LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENT**

	As at 31-3-2013	As at 31-3-2012
<b>NOTE 24 : Other Expenses</b>		
Stores & Spares Consumed	266.90	189.06
Packing Material Consumed	59.40	42.03
Dies consumed	84.50	65.09
Sub- contracting	62.60	63.65
Power & Fuel	783.25	612.65
Water Charges	8.81	3.28
Repairs & Maintenance _ Machines	79.33	53.16
Insurance Charges - plant	1.50	1.52
Rent, Rates & Taxes	17.71	12.71
Communication Expenses	8.37	9.46
Traveling & Conveyance Expenses	53.39	51.85
Printing and Stationery Expenses	2.08	2.04
Freight & Forwarding Charges	216.98	166.74
Advertisement & Sales Promotions	29.76	24.82
Legal & Professional Charges	25.00	31.01
Payment to Auditors	4.21	4.74
General expenses	204.93	206.17
	<b>1908.72</b>	<b>1539.98</b>

**Note: 25**

(i) Payment to the auditors comprises

As auditors	3.09	3.52
for Taxation matters	0.84	0.83
for company Law Matters	0.17	0.28
for Other services	0.11	0.11
Total Rs.	<b>4.21</b>	<b>4.74</b>

**Additional Information to financial Statement:**

**Note : 26 Contingent Liabilities and commitments ( to the extent not provided for)**

(i) **Contingent Liability**

(a) Claims against the company not acknowledge as debt MSEDCL has raised assessment bill for Rs 4,09,86,435/- U/s 135 of Electricity Act, 2003 alleging tampering with meter, which has been challenged in MSED Court Thane. The Honorable court while admitting the petition, ordered to Deposit of Rs 50 Lacs, pending disposal of petition.	409.86	0
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(ii) **Commitments**

**Discloser required under Section 22 of the Micro, Small and Medium enterprises Development Act**

None

(dues to Micro and Small Enterprises could not be determined for wants of sufficient information to the extent such parties can be categorized /identified of its stature.

**Disclosure as per Clause 32 of the Listing Agreement with Stock Exchanges:**

Loans and advances in nature of loans given to subsidiaries, associates and others and investment in shares of the company by such parties:

Nil

**HILTON METAL FORGING LIMITED  
NOTES FORMING PART OF FINANCIAL STATEMENT**

	As at 31-3-2013	As at 31-3-2012
<b>Note : 27 Earning and Expenditure in foreign currency</b>		
Export of goods calculated on FOB Basis	<b>7842.55</b>	4534.66
<u>Value of Imports calculated on CIF Basis</u>		
Raw Material	<b>0</b>	5.92
Machinery equipments	<b>0</b>	29.65
<u>Expenditure in foreign currency</u>		
Other Matters	<b>40.89</b>	17.54
<b>Amounts remitted in foreign currency during the year on account of Dividend</b>		
Amount remitted in foreign currency	<b>37500</b>	37500
Total Number of share holders	<b>1</b>	1
Total Number of shares held by them on which dividend was due	<b>150000</b>	150000
Year to which the dividend relates	<b>2011-12</b>	2010-11
Details of Consumption of imported and Indigenous items		
<u>Indigenous</u>		
Raw material	<b>7,099.41</b>	100%
Components	<b>266.90</b>	100%

**Note : 28 Segment Information**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The Company is mainly engaged in Manufacturing of Steel Forgings and Flanges and Forged Fittings is considered as only one segment as such in the context of Accounting standard (AS) 17 "Segment Reporting".

**Note : 29 Related party Transactions**

Key Management Personnel

Mr Yuvraj Malhotra  
Mr Navraj Malhotra

Relatives to KMP

Mrs Diksha Malhotra  
Miss Yashika Malhotra

Remuneration to KMP

Yuvraj Malhotra	<b>60.00</b>	59.76
Navraj Malhotra	<b>9.00</b>	7.65

Salary to Relative of KMP

Mrs Diksha Malhotra	<b>9.00</b>	7.80
Miss Yashika Malhotra	<b>3.00</b>	0.00



**HILTON METAL FORGING LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENT**

	As at 31-3-2013	As at 31-3-2012
<b>Note : 30 Earning per Share</b>		
Net profit/(loss) for the year from continuing operations	<b>318.93</b>	164.01
Less preference Dividend and Tax thereon	-	-
Net profit/(loss) for the year from continuing operations attributable to the Equity Share Holders	<b>318.93</b>	164.01
Weighted average number of equity shares	<b>12443016</b>	12443016
Earning per shares from continuing operations	<b>2.56</b>	1.32
<b>Note : 31 Deferred Tax Liability</b>		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	<b>17246492</b>	21535403
Tax effect of items constituting deferred tax liability	<b>5805169</b>	7248817
Net Deferred Tax (Liability) / Assets	<b>58.05</b>	72.49
Balance Brought forward	<b>466.46</b>	393.97
Net deferred Tax Liability	<b>524.51</b>	466.46

As per our report of even date

For and on behalf of the Board of Directors

**For R K Chaudhary & Associates**  
**CHARTERED ACCOUNTANTS**

**R K Chaudhary**  
Proprietor  
M No : 35487 FRN No 133512W  
Place: Mumbai  
Date: 28-05-2013

**Yuvraj Malhotra**  
Chairman & Managing  
Director

**Navraj Malhotra**  
Whole Time  
Director

<b>Hilton Metal Forging Limited</b>				
<b>Cash Flow Statement for the year ended 31 March, 2013</b>				
Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
	₹	₹	₹	₹
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		465.73		286.65
<u>Adjustments for:</u>				
Depreciation and amortisation		246.99		245.79
Finance costs		377.22		365.24
Interest income		10.95		4.16
Dividend income		0.10		0.15
		1,078.89		893.37
<u>Changes in working capital:</u>				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(895.91)		(42.50)	
Trade receivables	730.66		(358.74)	
Short-term loans and advances	605.58		-124.24	
Long-term loans and advances	8.04			
Other current assets				
Other non-current assets		448.37		(525.48)
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(522.63)		377.71	
Other current liabilities	18.59		(30.74)	
Other long-term liabilities				
Short-term provisions	(60.39)		27.42	
Long-term provisions				
		(564.43)		374.39
Cash flow from extraordinary items				
Cash generated from operations		962.83		742.28
Net income tax (paid) / refunds				
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>962.83</b>		<b>742.28</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances		(9.00)		(63.14)
Interest received				
- Others		10.95		4.16
Dividend received				
- Others		0.10		0.15
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>2.05</b>		<b>(58.83)</b>

**Hilton Metal Forging Limited**  
**AS 3.18(b) Cash Flow Statement for the year ended 31 March, 20X2 (Contd.)**

Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
	₹	₹	₹	₹
<b>C. Cash flow from financing activities</b>				
Repayment of long-term borrowings				(300.00)
Net increase / (decrease) in working capital borrowings		(549.65)		(26.36)
Finance cost		(377.22)		(365.24)
Dividends paid				
Tax on dividend				
Cash flow from extraordinary items				
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(926.87)</b>		<b>(691.60)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>38.01</b>		<b>(8.15)</b>
Cash and cash equivalents at the beginning of the year		92.85		101
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents				
<b>Cash and cash equivalents at the end of the year</b>		<b>130.86</b>		<b>92.85</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Cash and cash equivalents as per Balance Sheet (Refer Note 19)		181.73		92.84
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)				
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19				
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note (ii) to Note 16 Current investments)				
<b>Cash and cash equivalents at the end of the year *</b>		<b>181.73</b>		<b>92.84</b>
* Comprises:				
(a) Cash on hand		9.13		1.97
(b) Cheques, drafts on hand				
(c) Balances with banks				
(i) In current accounts		60.54		(25.32)
(ii) In EEFC accounts		5.77		20.89
(iii) In deposit accounts with original maturity of less than 3 months		103.23		92.64
(iv) In earmarked accounts (give details) (Refer Note (ii) below)				
(d) Others (specify nature)		3.08		2.66
(e) Current investments considered as part of Cash and cash equivalents (Refer Note (ii) to Note 16 Current investments)				
		<b>181.73</b>		<b>92.84</b>

**Notes:**

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing & discounting operations.  
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

**See accompanying notes forming part of the financial statements**

In terms of our report attached.

**For R K Chaudhary & Associates**  
**Chartered Accountants**

**R K Chaudhary**  
**Proprietor**

Place : Mumbai  
Date : 28-05-2013

**For and on behalf of the Board of Directors**

**Yuvraj Malhotra**  
**C M D**

**Navraj Malhotra**  
**Whole Time Director**

Place :  
Date : 28-05-2013



# HILTON METAL FORGING LTD.

REGD. OFFICE; 701, Palm Spring, Link Road, Malad (West), Mumbai- 400 064.

(Please complete this attendance slip and hand it over at the entrance of the meeting hall)

I hereby record my presence at the 8th ANNUAL GENERAL MEETING of the Company being held on Monday the 30th September 2013 at 701, Palm Spring, Link Road, Malad (West). Mumbai -400064. at 5.00 p.m.

NAME OF SHAREHOLDER \_\_\_\_\_

NAME OF PROXY \_\_\_\_\_

(To be filled in Me case the proxy attends instead of Shareholder)

SIGNATURE OF SHAREHOLDER / PROXY'

Strike out which is not applicable

.....(Tear Here).....

# HILTON METAL FORGING LTD.

REGD OFFICE 701, Palm Spring, Link Road, Malad (West), Mumbai -400 064

Folio No.

I/We \_\_\_\_\_

A member / members of Hilton Metal Forging Ltd. hereby appoint \_\_\_\_\_ of

\_\_\_\_\_ of

failing him / her \_\_\_\_\_

of \_\_\_\_\_

As my our proxy to vote for me/us on my/our behalf at the 8th ANNUAL GENERAL MEETING of the Company being held on Monday the 30th September, 2013 or at any other day adjourned thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013 Signature of Member / Proxy

Affix Rupee One Revenue Stamp
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Notes : The Proxy form must be returned so as to reach the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a shareholder of the company.

## Book Post

*if undelivered please return to :*

**Corporate Office:**

**HILTON METAL FORGING LTD.**

701, Palm Spring, Palmcut Complex,

Link Road, Malad (West), Mumbai - 400 064.

Email : [hiltonforge@vsnl.com](mailto:hiltonforge@vsnl.com) Web : [www.html.co.in](http://www.html.co.in)

**MF**

**HILTON**  
METAL FORGING LTD.