

**REPORT ON CORPORATE GOVERNANCE**

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

Corporate Governance, as a concept, has gained considerable importance of late, primarily because of the proposal to enshrine many of the accepted good governance principles into corporate law. The Companies Act, 2013 ('the Act') and the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('the SEBI Regulations') have strengthened the framework of Corporate Governance for India Inc.

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

**2) BOARD OF DIRECTORS:**

**2.1 Composition and categories of Directors:**

The Board is broad-based and consists of eminent individuals from industry, management, technical, financial and marketing background. The Company is managed by the Board of Directors in coordination with the Senior Management team.

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

\* Mr. Rajiv Sushil Verma is appointed on 7th April, 2016

**2.2 Profile of Board of Directors**

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

**1) Mr. Yuvraj Malhotra, Chairman and Managing Director**

Mr. Yuvraj Malhotra, aged 50 years, is one of the main promoters of the Company and has been associated with the Company since inception. He is instrumental in development and growth of the Company. He is an Engineering graduate with specialization in Mechanical Engineering. He has 28 years experience in Forging Industry and looks after Marketing and the day to day affairs of the Company.. He started his career from Mukund Iron & Steel Limited as Engineering trainee for the year 1989 to 1991. From 1991-1993, he worked with Akai Impex Limited (Export House) as a Materials Manager. From 1993-1994 he worked with Garg Forgings Pvt Limited as a Director. From 1994-1997, he worked with Viraj Forging Limited as a Vice President –Marketing. After resigning from Viraj Forging Limited, in 1997 he started his own proprietorship i.e M/s Hilton Forge by exporting Flanges and other Automobiles Part to various countries. He is also a promoter director of Hilton Steel Forgings Private Limited, a Company dealing in forging and other Metal Products and partner in Delta Cut tools a firm engaged in machining of all types of steel items.

**2) Mr. Navraj Malhotra, Whole Time Director**

Mr. Navraj Malhotra, aged 48 years, is a Commerce graduate. He looks after the Purchase, Production planning and other commercial aspects such as shipment, liasoning with Government department etc. He has an experience of 20 years in commercial aspects of the industry.

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

Mr. Manoj Kumar More aged 45 years, is a commerce graduate and a Fellow Member of the Institute of Chartered Accountants of India with 21 years of experience as a Practicing Chartered Accountant.

**4) Mr. Harmohindarsingh Dhingra, Non Executive and Independent Director**

Mr. Harmohindarsingh Dhingra aged 78 years, is a commerce graduate and Masters in Arts with specialization in Economics/ Statistics. He is also an Associate member of Indian Institute of Bankers & A.C.C.S from London. He Retired as Deputy General Manager from Central Bank of India after 51 years of service.

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

Mr. Sanjay Jain, aged 51 years, is an Engineering graduate with specialization in Metallurgy. He has about 27 years of experience in the Industry.

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

Mr. Joseph William Mckay aged 77 years, is qualified metallurgist and acquired substantial experience as a Manager at Howard Balfour and Sons Limited, UK. In 1982 he set up his own Company Evenort Limited which is in the business of trading in stainless steel items such as bar, pipe, fittings and flanges.

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

Mrs. Diksha Malhotra, aged 47 years, has done Bachelor of Commerce. She has 21 years of experience in marketing forging products in international market. She looks after developing and implementing the marketing strategies for forging products.

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

Mr. Rajiv Verma aged 49 years has done Bachelor of Engineering, having more than 26 years of experience in Engineering and Technology field.

**2.3 BOARD MEETINGS, ATTENDANCE AND OTHER DETAILS:**

During the year under review, Four Board Meetings were held at Mumbai. The Board Meetings were held on 26<sup>th</sup> May, 2015, 5<sup>th</sup> August, 2015, 6<sup>th</sup> November, 2015 and 11<sup>th</sup> February, 2016. The maximum gap between two Board Meetings did not exceed the prescribed time as mentioned under Section 173 of the Companies Act, 2013 and the Listing Regulations.

The compositions of the Board, attendance at the Board meetings held during the Financial Year under review and at the last Annual General Meeting, number of directorship, Memberships/Chairmanships of the Committees of public companies and their shareholding as on March 31, 2016 in the Company are as follows:-

Name of Directors	DIN	Designation/ Category of Directors	No. of Board Meetings attended /held in F.Y.2015-2016	Attendance at the last A.G.M.	No. of Directorship \$	Committee position**		No. of Equity Shares
						Chairman	Member	
Mr. Yuvraj Malhotra	00225156	Managing Director & Chairman	4/4	Y	Nil	Nil	1	5575934
Mr. Navraj Malhotra	00225183	Whole Time Director	4/4	Y	Nil	Nil	Nil	149653
Mr. Joseph McKay	00384145	Non Executive Director	1/4	N	Nil	Nil	Nil	Nil
Mr. Sanjay Jain	00152758	Independent Non Executive	4/4	Y	1	2	2	Nil
Mr. Manoj Kumar More	00040190	Independent Non Executive	4/4	Y	2	1	4	Nil
*Mr. Navin Chokshi	00001867	Independent Non Executive	1/4	NA	1	Nil	Nil	Nil
Mr. Hamohindar Singh Dhingra	00037089	Independent Non Executive	4/4	Y	Nil	1	1	1250
Mrs Diksha Yuvraj Malhotra	01393249	Executive Director	4/4	Y	Nil	Nil	Nil	672812

**Notes:**

1. Excludes directorships in Hilton Metal Forging Ltd, Private Limited Companies, Foreign Companies and Section 8 Companies.
2. Disclosures includes membership/ chairpersonship of Audit Committee and Stakeholders Relationship Committee in Public Limited Companies (listed and unlisted).
3. Mr. Yuvraj Malhotra, Mr. Navraj Malhotra and Mrs Diksha Yuvraj Malhotra, are related to each other
4. Mr Navin Chokshi has resigned from the office of the director w.e.f. 28th July, 2015.
5. The Company has not issued any convertible instruments

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

As stipulated by the Code of Independent Directors pursuant to Companies Act, 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 11<sup>th</sup> February, 2016 to review the performance of Non-independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its' Committees which is necessary to effectively and reasonably perform and discharge their duties.

**3) COMMITTEES OF THE BOARD:**

The Board has constituted the following Committees of Directors:

**3.1 Audit Committee:**

The Audit Committee of the Company is constituted in line with Provision of Regulation 18 of SEBI (Listing Regulations), read with Section 171 of the Act. All the members possess sound knowledge on accounts, audit, finance, taxation, internal controls etc.

**3.1.1 Terms of reference**

Role of Audit Committee and its terms of reference include:

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

**3.1.2 Composition and Attendance at the Meeting**

The Audit Committee met 4 times during the year on 26<sup>th</sup> May, 2015, 5<sup>th</sup> August, 2015, 6<sup>th</sup> November, 2015 and 11<sup>th</sup> February, 2016. The composition, names of the members, chairperson, category of Directors and no. of the meetings attended by the members during the year are as follows:

Sr. No.	Names of Members	Designation	Category of Director	No. of Meetings Attended
1	Mr. Harmohindar Singh Dhingra	Chairman	Independent Non executive	4/4
2	Mr. Manoj Kumar More	Member	Independent Non executive	4/4
3	Mr. Sanjay Jain	Member	Independent Non executive	4/4
4	Mr. Navin Chokshi*	Member	Independent Non executive	1/4

\*Mr. Navin Chokshi has resigned from the audit committee w.e.f. 28th July, 2015.

**3.2 Nomination and Remuneration Committee:**

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

**3.2.1 Terms of reference**

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

1. To recommend/ review the remuneration package of the Managing / whole time Directors / Key Managerial Personnel ("KMP" as defined by the Act), based on performance and defined criteria.
2. To determine the remuneration package for any Executive Directors as well as remuneration payable to the non-executive Directors from the year to year.

**3.2.3 Composition and Attendance at the Meeting**

The meeting of the Committee was held on 26<sup>th</sup> May, 2015 during the year. The composition, names of the members, chairperson, category of Directors during the year are as follows:

Sr. No.	Name of Members	Designation	Category of Director	No. of Meetings Attended
1.	Mr. Harmohinder Singh Dhingra	Chairman	Non-Executive, Independent	1/1
2.	Mr. Manoj Kumar More	Member	Non-Executive, Independent	1/1
3.	Mr. Sanjay Jain	Member	Non-Executive, Independent	1/1

### 3.2.4 Remuneration Policy

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

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

#### 2) Remuneration to Non-Executive Directors

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

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

### 3.2.5 Familiarization Program

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

### 3.2.6 Details of Remuneration paid to the Directors

Details of Remuneration paid to the Directors for the year ended 31<sup>st</sup> March, 2016 are as follows:

Directors	Relationship with the other Directors	Business Relationship	Sitting Fees	Salary/ Perquisites	Contribution to P.F.	Total
Mr. Yuvraj Malhotra	Brother of Mr. Navraj Malhotra	Promoter	NIL	6000000	NIL	6000000
Mr. Navraj Malhotra	Brother of Mr. Yuvraj Malhotra	Promoter	NIL	2400000	NIL	2400000
Mr. Joseph McKay	None	None	NIL	NIL	N A	NIL
Mr. Navin Chokshi*	None	None	10000	NIL	N A	10000
Mr. Manoj Kumar More	None	None	50000	NIL	N A	50000
Mr. Harmohindar Singh Dhingra	None	None	55000	NIL	N A	55000
Mr. Sanjay Jain	None	None	NIL	NIL	N A	NIL
Mrs. Diksha Malhotra	Wife of Mr. Yuvraj Malhotra	Promoter	NIL	3000000	NIL	3000000

\* Mr Navin Chokshi has resigned from the office of the director w.e.f. 28th July, 2015

### 3.3 Stakeholders' Relationship Committee:

The Stakeholders' relationship committee is constituted in line with the provision of Regulations 20 of SEBI (Listing Regulations) read with Section 178 of the Companies Act, 2013

#### 3.3.1 Terms of reference

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

1. To redress Shareholders and Investors complaints
2. To review all matters connected with the share transfers
3. To review status of legal cases involving the investors where the Company has been made a party.

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

**3.3.2 Composition of the Committee**

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

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

**3.3.3 Details in respect of Compliance Officer:**

Sr. No.	Name	Designation of Compliance officer
1	Ms. Divya Mer*	Company Secretary

\*Ms. Divya Mer is appointed as Company Secretary and Compliance Officer w.e.f. 1st June, 2016

**3.3.4 Details of Investors Complaints received during F.Y. 2015-16 are as follows:**

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

**4) GENERAL BODY MEETINGS:**

**4.1 Annual General Meeting**

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

AGM	DATE	TIME	VENUE	DETAILS OF SPECIAL RESOLUTIONS PASSED
10th	30.09.2015	4.00 PM	701, Palm Spring, Link Road Malad West, Mumbai-400064	<ol style="list-style-type: none"> <li>To appoint Mrs. Diksha Malhotra as Executive Director of the Company for the period of three years</li> <li>To re-appoint Mr. Yuvraj Malhotra as a Managing Director of the Company for the period of five years</li> <li>To re-appoint Mr. Navraj Malhotra as a Whole Time Director of the Company for the period of five years</li> </ol>
9th	27.09.2014	4.00 PM	701, Palm Spring, Link Road Malad West, Mumbai-400064	<ol style="list-style-type: none"> <li>To approve payment of remuneration to Mr. Yuvraj Malhotra as Chairman &amp; Managing Director</li> <li>To create mortgage / hypothecation/ pledge/ charge/ security in any form or manner on the properties and assets of the Company under Section 180 (1) (a) of the Companies Act, 2013</li> <li>To borrow monies under Section 180 (1) (c) of the Companies Act, 2013</li> </ol>
8 <sup>th</sup>	30.09.2013	11.30 AM	701, Palm Spring, Link Road Malad West, Mumbai-400064	No Special Resolution

**4.2 Extraordinary General Meeting**

No Extraordinary General Meeting was held during the financial years 2012-2013, 2013-2014 and 2014-2015

**4.3 Postal Ballot**

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

**5) MEANS OF COMMUNICATION:**

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

Company's un-audited quarterly results for Quarter ended 30<sup>th</sup> June, 2015, 30<sup>th</sup> September, 2015, 31<sup>st</sup> December, 2015 and audited results for the year ended 31<sup>st</sup> March, 2016 were published in the Free Press Journal ,Mumbai (English Daily) and Navshakti (Vernacular Daily).

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

**6) GENERAL SHAREHOLDER INFORMATION**

**6.1 Company Registration Details:** CIN: L28900MH2005PLC154986

**6.2 Annual General Meeting**

Date: 28<sup>th</sup> September, 2016

Time: 4.00 P.M

Venue: 701, Palm Spring, Link Road, Malad West, Mumbai – 400064

**6.3 Financial Calendar**

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

**6.4 Tentative Schedule for declaration of results during the financial year 2016-2017**

First quarter:	June 30, 2016 - on or before August 14, 2016
Second quarter/Half Yearly	September 30, 2016 - on or before November 14, 2016
Third quarter/Nine months	December 31, 2016 - on or before February 14, 2017
Fourth quarter/Annual	on or before May 30, 2017
Annual General Meeting	September, 2017

**6.5 Book Closure date**

The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday 19th September, 2016 to Wednesday 28th September, 2016 [Both days inclusive]

**6.6 Dividend Payment**

No dividend is to be declared for the financial year ended 31st March, 2016

**6.7 Unclaimed Dividend**

During the financial year under review, the Company has credited ₹ 1,31,047/- to Investor Education and Protection Fund towards Unclaimed Dividend.

The unclaimed dividend for a period of seven years is compulsorily deposited in Investor Education and Protection Fund (IEPF) Account in accordance with Section 205C of the Companies Act, 1956 administered by the Central Government which cannot be claimed by the Shareholders/Investors. The details of unclaimed dividend are posted on the website of the Company. Details of Unclaimed Dividend and due dates for transfer are as follows as on March 31, 2016:

Sr. No	Year of Declaration of Dividend	Date of Declaration of Dividend	Unclaimed Amount (In ₹)	Due Date for transfer to IEPF Account
1	2008-09	24.09.2009	1,59,596	22-09-2016
2	2009-10	30.09.2010	43,837	28-09-2017
3	2010-11	28.09.2011	32,118	26-09-2018
4	2011-12	29.09.2012	41,731	28-09-2019
5	2012-13	30.09.2013	59,404	28-09-2020
6	2013-14	27.09.2014	46,383	25-09-2021
7	2014-15	30.09.2015	68,632	28-09-2022

**6.8 Listing on Stock Exchanges**

**A. Equity Shares**

Name of the Stock Exchange	Security code/ Symbol	ISIN	Payment of Annual Listing fees for the FY 16-17 (Y/N)
BSE Limited	532847	INE788H01017	Y
The National Stock Exchange of India Limited	HILTON		Y

**B. Debentures/GDRs**

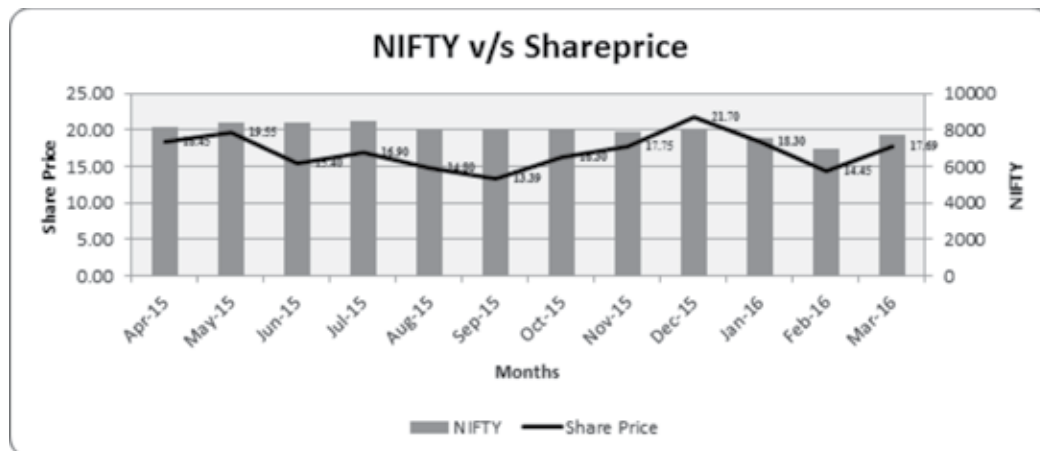
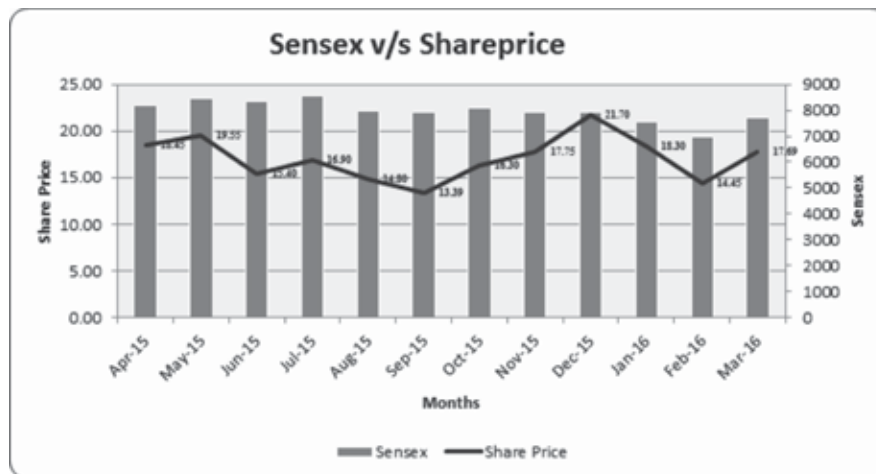
The Company has not issued GDRs / ADRs / Warrants or any convertible instruments so far

**6.9 Market Price Data: High/Low during each month of 2015-16 on Stock Exchanges**

Market Price Data Month	Share prices of the Company for the Period April 2015 to March, 2016			
	BSE Ltd		The National Stock Exchange of India	
	High(₹)	Low(₹)	High(₹)	Low(₹)
April, 2015	20.75	17.00	21.90	15.75
May, 2015	20.90	16.80	20.75	16.70
June, 2015	20.00	14.15	20.30	14.05
July, 2015	19.90	15.25	19.80	15.15
August, 2015	17.70	14.45	18.50	13.30
September, 2015	16.20	13.00	17.20	12.25
October, 2015	17.65	12.55	17.40	12.35
November, 2015	18.95	15.70	18.60	14.75
December, 2015	24.50	17.10	24.50	16.60
January, 2016	22.80	16.55	23.90	18.35
February, 2016	20.45	14.10	21.90	13.10
March, 2016	19.70	14.25	20.90	14.60

**6.10 Performance in comparison to broad based indices:**

The Chart below shows the comparison of your company's share price movement on BSE Sensex & NSE Nifty for the financial year ended 31st March 2016 (based on month end closing)



**6.11 Registrar & Share Transfer Agents:**

**SHAREX DYNAMIC (INDIA) PVT.LTD.**

Unit No.1, Luthra Industrial Premises,

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

Mumbai-400072

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

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

Contact Person: Mr. T. Sasikumar

**6.12 Share Transfer System**

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

**6.13 Categories of Shareholding as on 31<sup>st</sup> March, 2016:**

Categories	Number of Shares	%
<b>(A) Shareholding of Promoter and Promoter Group</b>		
Promoters	6477799	52.06
Promoter Bodies Corporate	68400	0.55
<b>Total Shareholding of Promoter &amp; Promoter Group (A)</b>	<b>6546199</b>	<b>52.61</b>
<b>(B) Public Shareholding</b>		
<b>(i) Institutions</b>		
FII(s)	583000	4.69
<b>Total Public Institutions (B) (i)</b>	<b>583000</b>	<b>4.69</b>
<b>(ii) Non Institutions</b>		
Individuals	4568279	36.71
NRI's	315680	2.53
Bodies Corporate	414141	3.33
Clearing Members	15717	0.13
<b>Total Public Non Institution (B) (ii)</b>	<b>5313817</b>	<b>42.70</b>
<b>Total Public Shareholding (B)=(B)(i)+(B)(ii)</b>	<b>5896817</b>	<b>47.39</b>
<b>Total Shareholding (A) + (B)</b>	<b>12443016</b>	<b>100</b>

**6.14 Top Ten equity shareholders of the Company as on March 31, 2016 (other than Promoters)**

Sr. No.	Name of Shareholders	No of equity Shares held	Percentage of holding
1	Rahn and Bodmer	583000	4.69
2	Deepak Gupta	512222	4.12
3	Sony Sebastian	283200	2.28
4	Chirag Shantilal Shah	201087	1.62
5	Omprakash Siremalji Kanungo	174377	1.40
6	Evenort Ltd	150000	1.21
7	Subramanian P	116890	0.94
8	Kamlesh Manohar Kanungo	106889	0.86
9	Praful Mehta	91200	0.73
10	Sumangal Shares & Securities Private Limited	74779	0.60



**6.15 Distribution of Shareholding as on 31<sup>st</sup> March, 2016:**

No. of equity Shares held	Shareholders		Total Shares	
	Number	% of Total	Shares	% of Total
1-100	2744	40.82	175774	1.41
101-200	1185	17.63	208884	1.68
201-500	1515	22.54	553243	4.45
501-1000	680	10.12	535776	4.31
1001-5000	499	7.42	1019471	8.19
5001-10000	53	0.79	378053	3.04
10001-100000	35	0.52	1045751	8.40
100001 and above	11	0.16	8526064	68.52
<b>Total</b>	<b>6722</b>	<b>100</b>	<b>12443016</b>	<b>100</b>

**6.16 Dematerialization of Shares and Liquidity**

The Company's shares are currently traded only in dematerialised form over NSE & BSE. To facilitate trading in dematerialised form, the Company has tied up with NSDL and CDSL. Shareholders can open account with any of the depository participants registered with any of these depositories. As on March 31, 2016, 98.79% (1,22,93,011 Equity Shares) of the Company's equity shares were held in dematerialized form. The equity shares held by the promoter & promoter group in the Company have been fully dematerialized.

**6.17 Reconciliation of Share Capital Audit:**

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

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

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2016, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

**6.19 Plant Location**

Plot Nos. 1,2,3,15,21,25,26,28,& 30,  
Shah & Mehta Ind. Estate,  
Village-Ghonsai, Tal. Wada, Dist. Thane

**6.20 Address for Correspondence**

(i) **The Compliance Officer:** Hilton Metal Forging Ltd, 701, Palm Spring, Link Road, Malad (West), Mumbai-400064

Email id: mayani@hiltonmetal.com

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

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

**7) DISCLOSURES:**

**7.1 Related Party Transactions:**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arms' length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

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

The Board of Directors has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and Listing Regulations. The same is also displayed on the Company's website [www.hiltonmetal.com](http://www.hiltonmetal.com)

### **7.2. Strictures and Penalties**

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

### **7.3 Vigil Mechanism / Whistle Blower Policy**

Pursuant to Section 177(9) and sub section (10) of the Companies Act, 2013, and in terms of Regulation 22 read with Regulation 4(2)(d)(iv) of Securities and Exchange

Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), the Company has in place a vigil mechanism for Directors and Employees and has adopted a Whistle Blower policy, to report genuine concerns about any wrongful conduct with respect to the Company or its business or affairs. This policy covers malpractices, misuse or abuse of authority, fraud, violation of company's policies or rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected or likely to be affected and formally reported by whistle blowers.

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

### **7.4. Adoption of Mandatory Requirements and Non Mandatory Requirements**

The Company has complied with the applicable mandatory requirements of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR")

Status of compliance with non-mandatory items of Corporate Governance is provided below:

- a. Unmodified Audit Opinions/Reporting,
- b. The Company has followed all relevant Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 while preparing Financial Statements.
- c. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large
- d. The Internal Auditor reports directly to the Audit Committee

### **7.5 Code for prevention of Insider-Trading Practices**

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

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

### **7.6 Non- Compliance in Corporate Governance and Reasons thereof:**

As per the observation of the Secretarial Auditor, the vacancy caused by the resignation of the Independent Director was to be filled in by the Company on or before 25th October, 2015. However the same was filled by 8th April, 2016. The Company was trying to identify and appoint a suitable person on its Board, whose presence can benefit the Company in particular and the shareholders at large and hence there was delay in appointment of Independent director.

In addition to above, the Company has not disclosed the details of all such events and information on its website as required pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 during the period under review.

However, in response to the observation of the Secretarial Auditor, the Company is in process of updating its website by disclosing details of all such events and information as required pursuant to the said regulations at earliest.

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

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

I confirm that the Company has in respect of the year ended March 31, 2016, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

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

**Place: Mumbai**  
**Dated: 05/08/2016**

**Yuvraj Malhotra**  
**Chairman & Managing Director**  
**DIN: 00225156**

**MANAGING DIRECTOR/CFO CERTIFICATION**

In accordance with Clause 49(IX) of the listing agreement with the BSE Limited and the National Stock Exchange of India Limited for the period from 1st April, 2015 to 30th November, 2015 and as per Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 1st December, 2015 to 31st March, 2016, we, Mr. Yuvraj Malhotra, Chairman and Managing Director and Mr. Rohit Pandey, Chief Financial Officer of Hilton Metal Forging Limited (hereinafter referred to as "Company"), to the best of our knowledge and belief, certify that:

1. We have reviewed the financial statements and the cash flow statement of the company for the year ended March 31st, 2016 and that to the best of our knowledge and belief:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee:
  - a. the significant changes in internal control over financial reporting during the year, if any;
  - b. significant changes in accounting policies during the year, if any, have been disclosed in the notes to the financial statements; and
  - c. that there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Place: Mumbai**

**Dated: 05/08/2016**

**Yuvraj Malhotra**  
**Chairman & Managing Director**  
**DIN: 00225156**

**Rohit Pandey**  
**Chief Financial Officer**  
**PAN:BLRPP0997E**