

HILTON METAL FORGING LIMITED

CIN: L28900MH2005PLC154986

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

Email: secretarial@hiltonmetal.com; Phn No: 022-4042 6565

NOTICE

Notice is hereby given that the Ninth Annual General Meeting of the Members of Hilton Metal Forging Limited will be held on Saturday, 27th September, 2014 at 701 Palm Spring, Link Road, Malad (West), Mumbai-400064 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 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 declare dividend.
- 3) To appoint M/s. R K Chaudhary & Associates, Chartered Accountants, Mumbai as Statutory Auditors of the company and fix their remuneration and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s. R K Chaudhary & Associates, Chartered Accountants, Mumbai (Reg.No.35487) Mumbai, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the fourth consecutive Annual General Meeting (subject to ratification of the appointment by the members at every AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit Committee in consultation with the auditors in addition to out of pocket expenses, and that such remuneration may be paid on a progressive billing basis to be agreed upon between the auditors and the Board of Directors.

SPECIAL BUSINESS:

- 4 To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any of the Companies Act, 2013 and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, and in partial modification to the Ordinary Resolution passed at the Eighth Annual General Meeting held on 30th September 2013, in relation to the re-appointment of Mr. Joseph W. McKay (DIN No. 00384145) who was appointed as a Non- Executive Independent Director of the Company, confirmation consent and approval be and is hereby accorded to the Change in the Designation of Mr. Joseph W. McKay from 'Non-Executive Independent' to Non-Executive Professional.
"RESOLVED FURTHER THAT all other terms mentioned in the said Ordinary Resolution passed at the Eighth Annual General Meeting held on 30th September 2013, in relation to the re-appointment of Mr. Joseph W. McKay shall remain unchanged"
5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) and in partial modification to the Ordinary Resolution passed at the fifth Annual General Meeting held on 30th September 2010, in relation to the appointment of Mr. Navraj Malhotra (DIN No 00225183) as Whole-time Director of the Company, consent be and is hereby accorded to the Change the term of retirement of Mr. Navraj Malhotra from 'not be liable to retire by rotation' to 'liable to retire by rotation'
"RESOLVED FURTHER THAT all other terms and conditions as mentioned in the said Ordinary Resolution passed at the Fifth Annual General Meeting held on 30th September 2010, in relation to the appointment of Mr. Navraj Malhotra as Whole-time Director shall remain unchanged"
- 6 To approve payment of remuneration to Yuvraj Malhotra (DIN 00225156) as Chairman & Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
"RESOLVED THAT in accordance with the provisions of Sections, 196, 197 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and in partial modification of resolution passed at the Fifth Annual General Meeting of the Company held on 30th September 2010 approval of the Company be and is hereby accorded to the payment of remuneration to Shri Yuvraj Malhotra, as Chairman & Managing Director of the Company, for the balance tenor of his appointment as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said remuneration as it may deem fit and as may be acceptable to Shri Yuvraj Malhotra, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof..
"RESOLVED FURTHER THAT all other terms and conditions in relation to the appointment of Mr. Yuvraj Malhotra as Chairman & Managing Director shall remain unchanged"
RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To appoint Mr. Harmohindarsingh Dhingra (DIN No. 00037089) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
- “RESOLVED that** pursuant to the provisions of Sections 149, 150, 152 and read with Schedule IV and other applicable provisions ,if any, of the Companies Act,2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with Stock Exchanges, Mr. Harmohinder Singh Dhingra (DIN No. 00037089) who was appointed as an Independent Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act. 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for five consecutive years for a term up to the Annual General Meeting for the Financial year 2018-19 or 30th September 2019.”
8. To appoint Mr. Manoj Kumar More (DIN No. 000401090) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
- “RESOLVED that** pursuant to the provisions of Sections 149, 150, 152 and read with Schedule IV and other applicable provisions ,if any, of the Companies Act,2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with Stock Exchanges, Mr. Manoj Kumar More (DIN No. 000401090) who was appointed as an Independent Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act. 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for five consecutive years for a term up to the Annual General Meeting for the Financial year 2018-19 or 30th September 2019.”
9. To appoint Mr. Sanjay S Jain (DIN No. 00152758) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
- “RESOLVED that** pursuant to the provisions of Sections 149, 150, 152 and read with Schedule IV and other applicable provisions ,if any, of the Companies Act,2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with Stock Exchanges, Mr. Sanjay S Jain (DIN No. 00152758) who was appointed as an Independent Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act. 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for five consecutive years for a term up to the Annual General Meeting for the Financial year 2018-19 or 30th September 2019.
10. To appoint Mr. Navin C Chokshi (DIN No. 00001867) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
- “RESOLVED that** pursuant to the provisions of Sections 149, 150, 152 and read with Schedule IV and other applicable provisions ,if any, of the Companies Act,2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with Stock Exchanges, Mr. Navin C Chokshi (DIN No. 00001867) who was appointed as an Independent Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act. 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for five consecutive years for a term up to the Annual General Meeting for the Financial year 2018-19 or 30th September 2019
11. To approve remuneration of the Cost Auditor for the financial year ending 31st March, 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
- “RESOLVED THAT** pursuant to provisions of Section 148 and all other Applicable provisions of The Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force M/s NNT & Co, Cost Auditors, Mumbai reappointed by the Board of Directors of the company to conduct the Cost Audit of the Cost records of the company for the financial year ending 31st March, 2015 be paid remuneration of Rs 55,000/- (Rupees Fifty Five Thousand) plus service tax as applicable.”
- “RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.
12. To consider and, if thought fit, to pass the following Resolution as a **SPECIAL RESOLUTION** under Section 180(1) (c) of the Companies Act, 2013.
- “RESOLVED BY WAY OF SPECIAL RESOLUTION THAT** in supersession of ordinary resolution passed by the shareholders in their Extraordinary General Meeting held on 26th August 2005, and pursuant to Section 180(1)(c) and other applicable provisions, if any of the Companies Act, 2013 (herein after referred to as the “ Act”) or any statutory modification or re-enactment thereof and Rules made there under for the time being in force and as may be amended from time to time and Articles of Association of the Company, consent of the Company be and is hereby given to the Board of Directors to borrow moneys, from time to time, as it may deem think fit by way of loan , whether as rupee loans, foreign currency loans and/or any other financial facilities including non fund based facilities or issue of any debt securities including without limitations Bonds, debentures, and/ or other instruments whether convertible into equity/preference shares or not and/or securities with or without detachable warrants with a right exercisable by the warrant holder(s) to convert or subscribe for equity /preference shares or in any other form from the Banks, Financial Institutions, Investment Institutions, Mutual Funds, Trusts, non-resident Indians, Foreign Institutional Investors

or other Bodies Corporate or any other persons whether shareholders or not from any other source, located in India or abroad, whether unsecured or secured, and on such terms and conditions as may be considered suitable by the Board of Directors any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) up to an amount, the aggregate outstanding of which should not exceed, at any given time, Rs. 100 Crores".

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to negotiate and decide terms and conditions of such borrowings, finalize and execute all such deeds, documents and writings as may be necessary, desirable or expedient, settle any question, difficulty or doubt that may arise in this regard, do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable and to delegate all or any of these power to Committee of the Company or any other person."

"RESOLVED FURTHER THAT the Borrowing already availed by the Board within the limit of Rs 100 Crores and all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respect."

13. To consider and, if thought fit, to pass the following Resolution as a **SPECIAL RESOLUTION** under Section 180(1) (a) of the Companies Act, 2013.

"RESOLVED BY WAY OF SPECIAL RESOLUTION THAT in supersession of ordinary resolution passed by the shareholders in their Extraordinary General Meeting held on 26th August 2005, and pursuant to Section 180(1)(a) and other applicable provisions, if any of the Companies Act, 2013(herein after referred to as the " Act") or any statutory modification or re-enactment thereof and Rules made there under for the time being in force and as may be amended from time to time and Articles of Association of the Company , consent of the Company be and is hereby given to the Board of Directors for creation of mortgage / hypothecation / pledge/ charge/ security in any form or manner on the properties and assets of the Company whether tangible, intangible or otherwise, both present and future, in favour of lenders including Banks, Financial Institutions, Investment Institutions, Mutual Funds, Trusts, other Bodies Corporate, Trustees for holders of debentures/ bonds and/ or other instruments to secure all credit facilities including rupee loans, foreign currency loans, debentures, bonds and/ or other instruments or non fund based facilities availed / to be availed by the Company and/ or for any other purpose, from time to time, together with interest, further interest thereon, compound interest in case of default, accumulated interest, liquidated damages, all other costs, charges and expenses payable by the Company in respect of such borrowings.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to negotiate and decide terms and conditions of security, finalize and execute all deeds, documents and writings as may be necessary, desirable or expedient, settle any question, difficulty or doubt that may arise in this regard, do all such acts, deeds, matters and things, as it may, in its absolute discretion deem necessary, proper or desirable and to delegate all or any of these powers to committee of the Company or any other person."

For and On Behalf of Board of Directors
CHAIRMAN

Registered office:

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

Date: 01/08/2014

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. Further a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 22th September, 2014 to 26th September, 2014 (both days inclusive).
5. The dividend, if declared will be paid to all the members who are entitled to receive payment and whose names appear in the Register of Members as on the 21st September, 2014.
6. Members are requested to intimate to Sharex Dynamic (India) Private Ltd, Registrar and Transfer Agents of the Company their e-mail address for sending notice /documents through e-mail as per directives issued by Government of India, Ministry of Corporate Affairs , vide Circular No 17/2011 dated 21.04.2011 Members are requested to address all correspondences including dividend matters to the Registrar and Transfer Agents, Sharex Dynamic (India) Private Ltd, Unit 1, Luthra Industrial Premises, Safed Pool, Andheri – Kurla Road, Andheri – East, Mumbai - 400 072, Email-henry@sharexindia.com .

7. Members whose shareholding is in the electronic mode are requested to notify immediately the change in their address, bank mandates and e-mail IDs to their respective depository participants. Member holding shares in physical form are requested to intimate any change in address, bank mandates and e-mail IDs immediately to Company/ Sharex Dynamic (India) Private Ltd.
8. In terms of Section 101 and 136 of the Companies Act, 2013 read together with rules made there under, a listed company may send the notice of Annual General Meeting and Annual Report, including financial statement, Board Report etc. by electronic mode.
9. A statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the Meeting is annexed hereto.
10. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms integral part of the notice.
11. Members are requested to bring their copies of Annual Report to the Meeting. In case of joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote. Members /proxies attending the meeting should bring the Attendance Slip, duly filled in for handing over at the venue of the meeting..
12. Members desirous of getting any information in respect of accounts of the Company and proposed resolutions, are requested to send their queries in writing to Company at its' Registered Office at least 7 days before the date of the meeting, so that the required information to the extent possible can be made available at the meeting.
13. Relevant documents referred to in the accompanying Notice and Explanatory Statement shall be open 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.
14. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.
15. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement with Stock Exchanges, the Company is pleased to provide members facility to exercise their right to vote at the 9th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The Instruction for Members for voting electronically is as under:

In case of members receiving e-mail:

Log on to the e-voting website www.evotingindia.com

- i. Click on "Shareholders" tab.
- ii. Now, select the "COMPANY NAME" i.e. Hilton Metal Forging Limited, from the drop down menu and click on "SUBMIT".
- iii. Now Enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client.
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company. (6 Digit Alpha-Numeric).
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
Permanent Account Number (PAN*)	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the First two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number R12345 then enter RA00R12345 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN for the relevant <Company Name> i.e. Hilton Metal Forging Limited, on which you choose to vote.
- xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution
- xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [https:// www.evotingindia.co.in](https://www.evotingindia.co.in) and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) To sl. no. (xvi) Above to cast vote.
 - (B) The voting period begins on Monday, September 22, 2014 at 10.00 a.m. and will end on Wednesday, September 24, 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date of (record date) of 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
 - xvii. Mr. Hareesh Sanghvi, Practicing Company Secretary, (Membership No. 2259) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - xviii. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - xix. The Results declared along-with the Scrutinizer's Report shall be placed on the Company's website www.hiltonmetal.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the NSE and BSE Limited.
16. Electronic copy of the Notice of the 9th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 9th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
 17. Dividend which remain unclaimed / un-encashed for a period of 7 years will be transferred by the Company to Investor Protection Fund (IEPF) constituted by the Central Government, under Section 205A and 205C of The Companies Act,1956, no claim by the shareholder shall lie for un-encashed dividend transferred to IEPF.

18. Members desirous of getting any information in respect of accounts of the Company and proposed resolutions, are requested to send their queries in writing to Company at its' Registered Office at least 7 days before the date of the meeting, so that the required information to the extent possible can be made available at the meeting.
19. Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company.
20. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination form in the prescribed form SH-13 with the Companies Transfer Agent, **Sharex Dynamic (India) Private Ltd.**
21. To support the 'Green Initiative in the Corporate Governance', the Members who have not registered their e-mail addresses are requested to register the same with the Registrar and Transfer Agent of the Company/Depositories

For and on behalf of the Board of Directors

CHAIRMAN

Registered Office:

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

Date: 01-08-2014

Place: Mumbai

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)

ITEM no. 4 & 5

The Board of the Company consists of 7 directors, out of which there are 5 Independent rotational Directors and 2 non rotational Executive Directors.

The provisions of Section 149(13) and Section 152(6) and (7) in respect of retirement of Directors by rotation shall not be applicable to Independent Directors. Having regard to the provisions of the Listing Agreement and the provisions of Section 152 of the Companies Act, 2013, it is proposed to make and consider Mr. Joseph W. McKay as 'Non-Executive non- Independent Director' instead of 'Non-executive Independent Director'. Similarly it is proposed to change the term of retirement of Shri. Navraj Malhotra from not liable to retire by rotation to liable to retire by rotation.

All other terms and conditions with respect to their appointment as approved by the members shall remain unchanged.

None of the Directors or Key Managerial Personnel or their relative(s) is/are in any way concerned or interested, in passing of the above mentioned resolutions except the concerned Directors and their relatives.

The Board commends the Ordinary Resolutions set out at Item Nos. 4 to 6 of the Notice for approval by the shareholders.

Item Nos. 6

The Nomination and Remuneration Committee and the Board of Directors of the Company, at their meetings held on 7th May 2014, had approved the payment of remuneration, the details whereof given here in under to Shri Yuvraj Malhotra as Chairman & Managing Director of the Company for the balance tenor subject to the approval of members without varying any other terms of his appointment

REMUNERATION :

a. **BASIC SALARY & DEARNESS ALLOWANCE:**

Rs.5,00,000 per month in the scale of Rs. 5,00,000 – Rs.10,00,000 per month.

With such increments as may be decided by the Board of Directors (which includes any Committee thereof) from time to time.

b. **PERQUISITES & ALLOWANCES:**

- i. Perquisites will be allowed in addition to salary and commission and will include accommodation (furnished or otherwise) or house rent allowance together with reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishings and repairs and all other expenses for the upkeep and maintenance thereof; medical reimbursement on actual basis for self and family members (which shall include spouse, dependent children), reimbursement of leave travel concession for self and family as aforesaid, medical / personal accident insurance cover as per the Company's service Rules, and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and CMD such perquisites and allowances will, however, be subject to a maximum of 40% of the annual salary.
- ii. For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per the Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.
- iii. Benefits under the Provident Fund Scheme, the Company's Pension/Superannuation Fund Scheme in accordance with the Company's rules and regulations in force from time to time shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable, under the Income-tax Act, 1961. Gratuity payable as per the rules of the tenure shall not be included in the computation of limits for the remuneration as aforesaid.

- iv. Provision for use of the Company's Car for official duties and telephone at residence (including payments for local calls and long distance calls) shall be not be included in the computation of perquisites for the purpose of calculating the said ceiling.

C. REIMBURSEMENT OF EXPENSES

Expenses incurred for traveling, boarding and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actual and not considered as perquisites.

D. MINIMUM REMUNERATIONS:

Notwithstanding anything contained herein, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay remuneration to CMD by way of salary, perquisites and allowances as specified above within the limits prescribed under Schedule V of the Act.

This may be treated as an abstract of the terms of appointment between the Company and Shri Yuvraj Malhotra under and pursuant to Section 190 of the Companies, Act, 1956. This explanatory statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchange.

The Board commends the Special Resolutions set out at Item No.6 of the Notice for approval by the shareholders.

Except Shri Yuvraj Malhotra, and Mr. Navraj Malhotra being relatives of each other none of the Directors and Key managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the Resolutions set out at item Nos.5 of the Notice.

The relatives of Shri Yuvraj Malhotra may be deemed to be interested in the resolutions set out at Item No.6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

INFORMATION PURSUANT TO SCHEDULE V PART (II) SECTION II TABLE A:

Nature of Industry	Manufacturers and exporter of Steel forgings & allied products		
Date or expected date of commencement of commercial production	21-07-2005		
In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N A		
Financial Performance based on given indicators for the financial year ended 31/03/13 & 31/03/14	Particulars	31/03/2014 Rs (in Lacs)	31/03/2013 Rs (in lacs)
	Total Income	13012.31	15693.56
	Expenses	12590.73	15227.83
	Profit	304.02	318.93
	Eps	2.44	2.56
	P/E ratio	5.65	4.68
	Total Assets	4707.07	4662.63
	Accumulated Losses	NIL	NIL
Export performance and net foreign exchange	Export of goods FOB Vale Rs 7408.87 Exchange out go Rs 74.14		
Collaborations, if any,	The Company does not have any foreign collaboration		

Information about Appointee

Background details	Mr. Yuvraj Malhotra, who was appointed as the Chairman and Managing Director of the company for the period of 5 years i.e. from 20 th July 2010 Approval for his remuneration is now sought from the Shareholders. Further details are set out in the explanatory statement to item No 6 of the accompanying notice.
Gross Annual remuneration with last employer	Annual Remuneration of Rs 30,00,000/-p.a all inclusive of allowances and perquisites was paid in F.Y. 13-14
Job Profile and his suitability	He is Engineering Graduate and specialized in Mechanical Engineering. He has more than 27 year experience in Forging Industry and he is well verse with export market of forgings and allied products and looking after day to day affairs of the Company.
Remuneration Proposed	Rs.5,00,000/- per month in the scale of Rs.5,00,000/- to 10,00,000/- plus allowances and perquisites as per company's rules, subject to ceiling stipulated in Schedule V of the Act.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Your company is one of leading operator in the Forging Industries. .The proposed remuneration is comparable with the other companies of similar size and nature in the Industry.
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel if any	No pecuniary relationship apart from remuneration drawn from the company

Other information

Reasons of loss or inadequate profits	Stiff competition and lower volume in domestic market, pressure on currency are the primary reason lower profit margins.
Steps taken or proposed to be taken for improvement	Strengthening domestic supply chain system and suitable recruitments is underway.
Expected increase in Productivity and profits in measurable terms	Rearranging system for maximum possible use of all machinery.
Disclosures	The remuneration package details are given in the explanatory statement as Item No.5.

Item Nos. 7 to 10

Section 149 of the Companies Act, 2013 provides that Independent Directors Mr. Harmohindersingh Dhingra, Mr. Manoj Kumar More, Mr. Sanjay S Jain, and Mr. Navin C Chokshi are Independent Directors of the Company and have held the positions as such for more than 5 (five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

The Board considers that continued association with the above Directors would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors. It is proposed to appoint Mr. Harmohindersingh Dhingra, Mr. Manoj Kumar More, Mr. Sanjay S Jain, and Mr. Navin C Chokshi as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 14th Annual General Meeting of the Company in the calendar year 2019.

Mr. Harmohindersingh Dhingra, Mr. Manoj Kumar More, Mr. Sanjay S Jain, and Mr. Navin C Chokshi are not disqualified from being appointed as Director in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along-with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Harmohindersingh Dhingra, Mr. Manoj Kumar More, Mr. Sanjay S Jain and Mr. Navin C Chokshi for the office of Directors of the Company.

The Company has also received declarations from Mr. Harmohindersingh Dhingra, Mr. Manoj Kumar More, Mr. Sanjay S Jain, and Mr. Navin C Chokshi that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Harmohindersingh Dhingra, Mr. Manoj Kumar More, Mr. Sanjay S Jain, and Mr. Navin C Chokshi fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Harmohindersingh Dhingra, Mr. Manoj Kumar More, Mr. Sanjay S Jain, and Mr. Navin C Chokshi are independent of the management.

Copy of the draft letters for respective appointments of Mr. Harmohindersingh Dhingra, Mr. Manoj Kumar More, Mr. Sanjay S Jain, and Mr. Navin C Chokshi as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Harmohindersingh Dhingra, Mr. Manoj Kumar More, Mr. Sanjay S Jain, and Mr. Navin C Chokshi are interested in the resolutions set out respectively at Item Nos. 7 to 10 of the Notice with regard to their respective appointments.

The relatives of Mr. Harmohindersingh Dhingra, Mr. Manoj Kumar More, Mr. Sanjay S Jain, and Mr. Navin C Chokshi may be deemed to be interested in the resolutions set out respectively at Item Nos 7 to 10 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 7 to 10 of the Notice for approval by the shareholders.

INFORMATION RELATING TO DIRECTORS PROPOSED TO BE RE-APPOINTED/APPOINTED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES:

	Item No. 7	Item No. 8	Item No. 9	Item No. 10
Name of Director	Mr. Harmohinder Singh Dhingra	Mr. Manoj More	Mr. Sanjay Jain	Mr. Navin Choksi
Date of Birth	June 13, 1938	May 01, 1971	November 25, 1965	May 26, 1953
Qualification	B.Com, M.A. LL.B, CAIIB, ACCS (London)	B.Com, F.CA	B.E Metallurgy	B Com, A C A
Date of Appointment	March, 29 2006	March, 29 2006	March, 29 2006	March, 29 th 2006

	Item No. 7	Item No. 8	Item No. 9	Item No. 10
Expertise	Banking	Finance and Accounts	Metallurgy	Finance & Accounts
Directorships as on 31 st March, 2014	Nil	- 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	- Gloria Technoplast, - Gloria Polyfilms Ltd
Chairman / Member of Audit Committee as on 31 st March, 2014	NIL	NIL	NIL	NIL
Chairman / Member of Shareholders' / Investors' Grievance Committee as on 31 st March, 2014.	NIL	NIL	NIL	NIL
Chairman / Member of Remuneration Committee as on 31 st March, 2014	NIL	NIL	NIL	NIL
Shareholding in the Company	NIL	NIL	NIL	NIL
Relationship between directors inter-se	NIL	NIL	NIL	NIL

Item No. 11:

The Board, on the recommendation of the Audit Committee, has approved the Reappointment and remuneration of M/s. NNT & Co, Cost Auditors, Mumbai to conduct the Cost Audit of the Cost records of the company for the financial year ending 31st March, 2015

In accordance with the provisions of Section 148 of The Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the company

Hence, the Board commends the resolution as set out of Item no 11. Of the Notice for the approval of the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

Item No.12 & 13:

The shareholders of the Company had authorised the Board of Directors of the Company by way of Ordinary resolution passed at the Extra Ordinary General Meeting held on 26th August 2005 under clause (d) and (a) of section 293 (1) of Companies Act, 1956 (now repealed) to borrow money for the purpose of business of the Company in excess of the paid up capital and free reserves of the Company provided the sum or sums so borrowed and remaining outstanding at any point of time shall not exceed Rs. 100 Crores.

Pursuant to Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013, approval of the shareholders by way of special resolution is required to authorize the Board of Directors to borrow moneys up to the said limits and create security in respect thereof.

Except the Directors and Key Managerial Personnel or their relatives who may be concerned or interested, financial or otherwise, by way of directorship/ shareholding or in any other manner in one or more companies/ bodies corporate/ individuals resolutions, no other Director or Key managerial personnel or their relatives is concerned or interested in the said resolutions.

For and on behalf of the Board of Directors

Registered Office:

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

CHAIRMAN

Date: 01-08-2014

Place: Mumbai