

**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 2013-14. 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 28<sup>th</sup> May, 2013, 9<sup>th</sup> August, 2013, 29<sup>th</sup> October, 2013 and 24<sup>th</sup> January, 2014 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.2013-2014	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	4	No	1	2
Mr. Navin Chokshi	Independent Director Non Executive	4	No	2	Nil
Mr. Harmohindar Singh Dhingra	Independent Director Non Executive	3	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 its 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 its 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 post audit discussion on the areas of concern.

The Audit Committee met 4 times during the year on 28<sup>th</sup> May, 2013, 9<sup>th</sup> August, 2013, 29<sup>th</sup> October, 2013 and 24<sup>th</sup> January, 2014. 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	3
2	Mr. Manoj Kumar More	Member	Independent non executive	4
3	Mr. Sanjay Jain	Member	Independent non executive	0

**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. Harmohindarsingh 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 2013-14.

Details of Remuneration paid to the Directors for the year ended 31<sup>st</sup> March, 2014 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	30,00,000	Nil	30,00,000
Mr. Navraj Malhotra	Brother of Mr.Yuvraj Malhotra	Promoter's family	Nil	21,18,000	Nil	21,18,000
Mr. Joseph McKay	None	None	Nil	Nil	Nil	Nil
Mr. Navin Chokshi	None	None	10000	Nil	Nil	10000
Mr. Manoj Kumar More	None	None	18000	Nil	Nil	18000
Mr.Harmohindar Singh Dhingra	None	None	14000	Nil	Nil	14000
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. Harmohindarsingh 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 2013-14 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	-	1	1	Nil
3.	Non- Receipt of Annual Report	-	2	2	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
7 <sup>th</sup>	29.09.2012	11.30 AM	701, Palm Spring, Link Road Malad West, Mumbai-400064	NIL
8 <sup>th</sup>	30.09.2013	5.00 PM	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 2013-14. 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 redressed 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 30<sup>th</sup> June, 2013, 30<sup>th</sup> September, 2013, 31<sup>st</sup> December, 2013 were published in the Free Press Journal ,Mumbai(English Daily) and Navshakti (Vernacular Daily). The audited results for the year ended 31<sup>st</sup> March, 2014 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)	Saturday, 27 <sup>th</sup> September, 2014 at 4.00 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	Monday, 22 <sup>nd</sup> September, 2014 to Friday, 26 <sup>th</sup> September, 2014 [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
Registered Office	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

(c) **Market Price Data: High/Low during each month of 2013-14 on Stock Exchange, Mumbai:**

Market Price Data Month	Share prices of the Company for the Period April 2013 to March, 2014			
	Bombay Stock Exchange		The National Stock Exchange of India	
	High(Rs)	Low(Rs)	High(Rs)	Low(Rs)
April,2013	10.55	8.21	9.87	9.57
May ,2013	11.25	8.5	0	0
June,2013	10.4	8.36	0	0
July,2013	10.7	9.05	0	0
August,2013	9.8	8.28	0	0
September,2013	9.99	8.5	0	0
October,2013	11.38	9.43	0	0
November2013	11.5	10.25	0	0
December,2013	12.7	10.35	0	0
January, 2014	14.2	11.2	12.75	12.07
February, 2014	12.8	11.01	12.39	11.89
March, 2014	13.8	11.2	12.55	11.86

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

Month	BSE SENSEX		NIFTY	
	HIGH	LOW	HIGH	LOW
	Rs	Rs	Rs	Rs
April,2013	19,622.68	18,144.22	5727.96	5654.56
May ,2013	20,443.62	19,451.26	6102.48	6023.81
June,2013	19,860.19	18,467.16	5824.03	5748.06
July,2013	20,351.06	19,126.82	5941.92	5877.75
August,2013	19,569.20	17,448.71	5571.53	5445.32
September,2013	20,739.69	18,166.17	5852.34	5740.26
October,2013	21,205.44	19,264.72	6112.24	6030.29
November2013	21,321.53	20,137.67	6174.23	6104.17
December,2013	21,483.74	20,568.70	6281.18	6222.30
January, 2014	21,409.66	20,343.78	6257.31	6196.03
February, 2014	21,140.51	19,963.12	6120.01	6063.25
March, 2014	22,467.21	20,920.98	6533.24	6468.23

(d) **Categories of Shareholding as on 31<sup>st</sup> March, 2014:**

Categories	Number of Shares	Amount in Rs	%
Promoters, Directors, Relatives and Companies under the same Management	6540379	65403790	52.56
Mutual Funds	0	0	0
Banks	0	0	0
FII(s)	583000	5830000	4.69
Private Corporate Bodies	391267	3912670	3.14
Indian Public	4564326	45643260	36.68
NRI's	297346	2973460	2.39
Clearing Members	66698	666980	0.54
TOTAL	12443016	124430160	100

(e) **Distribution of Shareholding as on 31<sup>st</sup> March, 2014:**

No. of equity Shares held	Shareholders		Total Shares	
	Number	% of Total	Shares	% of Total
1-100	3076	40.63	204312	1.64
101-200	1406	18.57	247778	1.99
201-500	1735	22.92	625674	5.03
501-1000	758	10.01	588390	4.73
1001-5000	511	6.75	1024367	8.23
5001-10000	41	0.54	299716	2.41
10001-100000	33	0.44	914410	7.35
100001 and above	11	0.15	8538369	68.62
Total	7571	100	12443016	100