

**REPORT ON CORPORATE GOVERNANCE**

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

Corporate Governance is the application of best management practices, continued compliances of law and adherence to highest ethical standards to achieve the objectives of the Company of enhancing stakeholder's value and its own image. 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 ['SEBI (Listing Regulations)'] have strengthened the framework of Corporate Governance for India Inc.

At Hilton Metal Forging Limited, it has been a constant endeavor to follow the principles of transparency, accountability, ethical business conduct and integrity in functioning to achieve excellence in Corporate Governance, which leads to 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 company has broad based Board of Directors, constituted in compliance with the Act and SEBI (Listing Regulation) and in accordance with highest standards of Corporate Governance in its management, which ensures judicious mix of Directors that includes the Executive, Non-Executive and Independent Directors.

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, 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 24 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, 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 10 years in commercial aspects of the industry.

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

Mr. Manoj Kumar More, is a commerce graduate and a Fellow Member of the Institute of Chartered Accountants of India with 11 years of experience as a Practicing Chartered Accountant.

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

Mr. Harmohindarsingh Dhingra, 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 41 years of service.

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

Mr. Sanjay Jain, is an Engineering graduate with specialization in Metallurgy. He has about 18 years of experience in the Industry.

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

Mr. Joseph William Mckay, 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, has done Bachelor of Commerce. She has 11 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, has done Bachelor of Engineering, having more than 27 years of experience in Engineering and Technology field.

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

During the financial year under review, Five Board Meetings were held at Mumbai on 11th April, 2016, 27<sup>th</sup> May, 2016, 5<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016, 07<sup>th</sup> February, 2017. The maximum time gap between any two consecutive Board Meetings does not exceed 120 days.

In compliance with Section 165(1) of the Act, and Regulation 25(1) of SEBI (Listing Regulations), none of the Director of the Company is a director on the board of more than 20 Companies (including 10 Public Limited Companies) or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Director is a member of more than 10 Committees or act as Chairman of more than 5 Committees across all Companies in which they are Directors.

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, 2017 in the Company are as follows:-

Name of Directors	DIN	Designation/ Category of Directors	No. of Board Meetings attended /held in F.Y.2016-2017	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	5/5	Y	1	Nil	1	5575934
Mr. Navraj Malhotra	00225183	Whole Time Director	5/5	Y	1	Nil	Nil	149653
Mr. Joseph McKay	00384145	Non Executive Director	1/5	N	1	Nil	Nil	Nil
Mr. Sanjay Jain	00152758	Independent Non Executive	5/5	Y	2	1	2	Nil
Mr. Manoj Kumar More	00040190	Independent Non Executive	5/5	Y	3	2	1	Nil
*Mr. Rajiv Sushil Verma	07486560	Independent Non Executive	5/5	Y	1	Nil	Nil	Nil
Mr. Harmohindar Singh Dhingra	00037089	Independent Non Executive	5/5	Y	1	1	1	1250
Mrs Diksha Yuvraj Malhotra	01393249	Executive Director	5/5	Y	1	Nil	Nil	672812

**Notes:**

1. Excludes directorships in, Private Limited Companies, Foreign Companies and Section 8 Companies.
2. In accordance with Regulation 26(1)(b) of SEBI (Listing Regulation) , Membership/ Chairpersonship of only the Audit Committee and Stakeholders Relationship Committee in all Indian Public Limited Companies have been considered.
3. Mr. Yuvraj Malhotra, Mr. Navraj Malhotra and Mrs Diksha Yuvraj Malhotra, are related to each other.
4. Mr. Rajiv Sushil Verma is appointed as a director w.e.f. 07th April, 2016..
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 SEBI (Listing Regulations), a separate meeting of the Independent Directors of the Company was held on 27<sup>th</sup> May, 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 Committees of the Board are constituted as per the Act and SEBI (Listing Regulation)

**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 177 of the Act and rules framed thereunder. 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 post 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 27<sup>th</sup> May, 2016, 5<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016 and 11<sup>th</sup> February, 2017. 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

**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. To identify person who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

**3.2.3 Composition and Attendance at the Meeting**

During the year under review, three meetings for Nomination & Remuneration committee were held on 11<sup>th</sup> April 2016, 27<sup>th</sup> May 2016, and 7<sup>th</sup> February, 2017. 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	3/3
2.	Mr. Manoj Kumar More	Member	Non-Executive, Independent	3/3
3.	Mr. Sanjay Jain	Member	Non-Executive, Independent	3/3

### 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 placed on the website of the Company [www.hiltonmetal.com](http://www.hiltonmetal.com)

### 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, 2017 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. Rajiv Sushil Verma*	None	None	NIL	NIL	N A	NIL
Mr. Manoj Kumar More	None	None	30000	NIL	N A	30000
Mr. Harmohindar Singh Dhingra	None	None	20000	NIL	N A	20000
Mr. Sanjay Jain	None	None	NIL	NIL	N A	NIL
Mrs. Diksha Malhotra	Spouse of Mr. Yuvraj Malhotra	Promoter	NIL	3000000	NIL	3000000

\* Mr Rajiv Sushil Verma has been appointed as a director w.e.f. 07th April, 2016.

### 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 Act.

#### 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, non-receipt of annual report and non-receipt of declared dividend.
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. Pragati Pramod Nathani*	Company Secretary

\*Ms. Pragati Pramod Nathani is appointed as Company Secretary and Compliance Officer w.e.f. 11<sup>th</sup> January, 2017

### 3.3.4 Details of Investors Complaints received during F.Y. 2016-17 are as follows:

Sr. No.	Nature of Complaints	Whether Received		No. of Complaints Redressed	Pending Complaints
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	0	0	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
11th	28.09.2016	4.00 PM	701, Palm Spring, Link Road Malad West, Mumbai-400064	1. Fixation of remuneration of cost auditor for Financial Year 2017. 2. To appoint Mr. Rajiv Sushil Malhotra as Independent Director of the Company for the term of five years
10th	30.09.2015	4.00 PM	701, Palm Spring, Link Road Malad West, Mumbai-400064	1. Fixation of remuneration of cost auditor for Financial Year 2016. 2. To appoint Mrs. Diksha Malhotra as Executive Director of the Company for the period of three years 3. To re-appoint Mr. Yuvraj Malhotra as a Managing Director of the Company for the period of five years 4. To re-appoint Mr. Navraj Malhotra as a Whole Time Director of the Company for the period of five years
9th	27.09.2014	4.00 PM	701, Palm Spring, Link Road Malad West, Mumbai-400064	1. Fixation of remuneration of cost auditor for Financial Year 2016. 2. To approve payment of remuneration to Mr. Yuvraj Malhotra as Chairman & Managing Director 3. 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 4. To borrow monies under Section 180 (1) (c) of the Companies Act, 2013

### 4.2 Extraordinary General Meeting

No Extraordinary General Meeting was held during the financial years 2013-2014, 2014-2015, 2015-2016.

### 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 SEBI (Listing Regulations).

Company's un-audited quarterly results for Quarter ended 27<sup>th</sup> May 2016, 05<sup>th</sup> August 2016, 14<sup>th</sup> November 2016 and audited results for the year ended 31<sup>st</sup> March, 2017 were published in the Free Press Journal ,Mumbai (English Daily) and Navshakti (Vernacular Daily).

These results are simultaneously displayed on the website of the Company w 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, 2017

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 2017-2018**

First quarter:	June 30, 2017 - on or before August 14, 2017
Second quarter/Half Yearly	September 30, 2017 - on or before November 14, 2017
Third quarter/Nine months	December 31, 2017 - on or before February 14, 2018
Fourth quarter/Annual	on or before May 30, 2018
Annual General Meeting	on or before September, 2018

**6.5 Book Closure date**

The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday 18th September, 2017 to Thursday 28th September, 2017 [Both days inclusive]

**6.6 Dividend Payment**

No dividend is to be declared for the financial year ended 31st March, 2017

**6.7 Unclaimed Dividend**

During the financial year under review, the Company has credited **Rs.1,33,921/-** to Investor Education and Protection Fund towards Unclaimed Dividend.

Pursuant to the provisions of Section 124 of the Act, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF). Shareholders of the Company who have not received or encashed their dividend for the Financial years, as mentioned below, are requested to claim the unpaid / unclaimed dividend from the Company before its transfer to the above mentioned Fund.

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

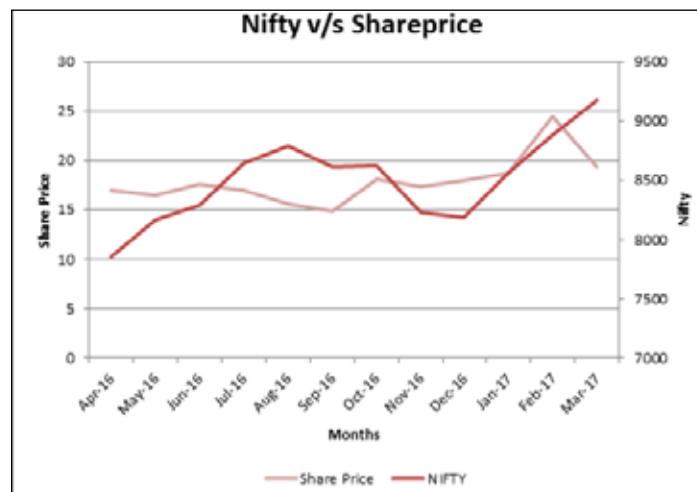
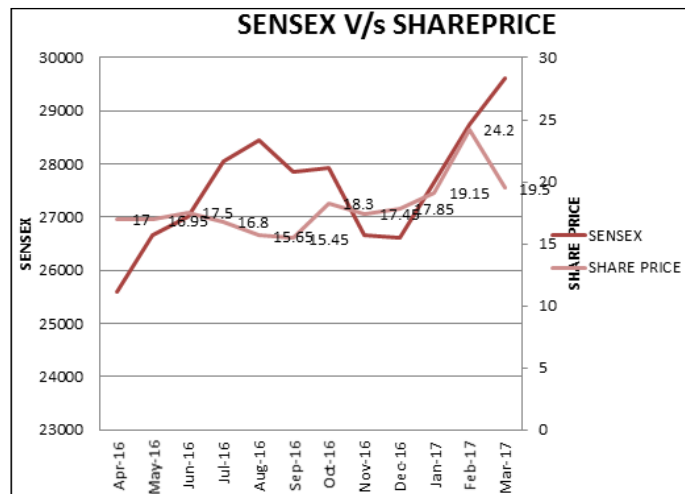
**6.9 Market Price Data:**

High/Low during each month of 2016-17 on Stock Exchanges

Market Price Data Month	Share prices of the Company for the Period April 2016 to March, 2017			
	BSE Ltd		The National Stock Exchange of India	
	High(Rs)	Low(Rs)	High(Rs)	Low(Rs)
Apr-16	20.6	16.6	21.2	16.25
May-16	17.85	15.15	19.7	15.2
Jun-16	17.8	15.6	18.35	15.2
Jul-16	18	16.5	19.75	16.15
Aug-16	17.5	15	17.2	15.15
Sep-16	17.1	14.5	16.4	14.35
Oct-16	18.8	14.75	18.45	14.65
Nov-16	25.5	14.75	25.75	14.4
Dec-16	23.95	16.25	24.4	16.2
Jan-17	21.65	17.55	21.8	17.65
Feb-17	25.3	17.4	25.5	17.25
Mar-17	26	18.65	25.75	18.25

**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 2017 (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, 2017:**

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	4442224	35.70
NRI's	318511	2.56
Bodies Corporate	380035	3.05
Clearing Members	173047	1.39
<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, 2017 (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	372737	2.99
3	Subramanian P	354490	2.85
4	Sony Sebastian	283900	2.28
5	Omprakash Siremalji Kanungo	172278	1.38
6	Evenort Ltd	150000	1.21
7	Chirag Shantilal Shah	110000	0.88
8	Sumangal Shares & Securities Private Limited	74779	0.60
9	Praful Mehta	72600	0.58
10	Karvy Stock Broking Ltd	72032	0.58

**6.15 Distribution of Shareholding as on 31<sup>st</sup> March, 2017:**

No. of equity Shares held	Shareholders		Total Shares	
	Number	% of Total	Shares	% of Total
1-100	2747	40.69	170784	1.38
101-200	1180	17.48	208742	1.68



No. of equity Shares held	Shareholders		Total Shares	
	Number	% of Total	Shares	% of Total
201-500	1514	22.43	552560	4.44
501-1000	717	10.62	572921	4.60
1001-5000	488	7.23	1016177	8.17
5001-10000	53	0.79	373572	3.00
10001-100000	41	0.61	1123456	9.03
100001 and above	10	0.15	8424804	67.7
<b>Total</b>	<b>6750</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 dematerialized form over NSE & BSE. To facilitate trading in dematerialized 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, 2017, 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, 2017, 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 Act, and Regulation 23 of the SEBI (Listing Regulations) 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.

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. 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 of SEBI (Listing Regulation) read with Regulation 4(2)(d)(iv) of Securities and Exchange Board of India, 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. Status of compliance with mandatory requirements and Non Mandatory Requirements**

The Company has complied with all mandatory requirements of Corporate Governance norms as specified in Regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (Listing Regulation), 2015, to the extent applicable to the company.

**7.5 Web link of policy on dealing with related party transactions**

The Board has approved a policy for related party transactions which has been uploaded on Companies website i.e on [www.hiltonmetal.com](http://www.hiltonmetal.com)

**7.6 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.

**7.7 Compliance with Discretionary Requirements as per Reg 27(1) of SEBI (Listing Regulation)****i) (Auditors Qualification):**

Unmodified Audit Opinions/Reporting.

**ii) Reporting of Internal Auditor:**

The internal auditor reports directly to the audit committee.

**7.8 Non- Compliance in Corporate Governance and Reasons thereof:**

As per the observation of Secretarial auditor, the vacancy caused by the resignation of Chief Financial Officer shall be filled up by the board at a meeting of the Board within a period of six months from the date of such vacancy i.e by 27th April, 2017. However the same was filled in by the Company on 25th May, 2017. The Company was trying to identify and appoint a suitable candidate, whose presence can benefit the Company in particular and the shareholders at large.

**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, 2017, 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: 11/08/2017

**Yuvraj Malhotra**  
Chairman & Managing Director

DIN:00225156

**MANAGING DIRECTOR/CFO CERTIFICATION**

In accordance with Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March, 2017, we, Mr. Yuvraj Malhotra, Chairman and Managing Director and Ms. Yashika Yuvraj Malhotra, 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, 2017 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: 26/05/2017

**Sd/-**  
**Yuvraj Malhotra**  
**Chairman & Managing Director**  
**DIN: 00225156**

**Sd/-**  
**Yashika Yuvraj Malhotra**  
**Chief Financial Officer**  
**PAN:BMNPM5402N**

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Members of Hilton Metal Forging Limited

We have examined all the relevant records of Hilton Metal Forging Limited, for the purpose of certifying compliance of the conditions of the Corporate Governance under para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on March 31, 2017. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with all the mandatory requirements of Corporate Governance as stipulated in the para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations And Disclosure Requirements) Regulation, 2015

**For M/s. R K Chaudhary & Associates**  
**Chartered Accountants**  
**Firm Registration Number: 133512W**

**Sd/-**  
**R K Chaudhary**  
**Proprietor**  
**M No : 035487**

**Date: 11/08/2017**  
**Place: Mumbai**