



HILTON
METAL FORGING LTD.

Annual Report 2021-2022

BOARD OF DIRECTORS

Shri Yuvraj Malhotra
Shri Sandeep Ravindra Shah
Shri Sukesh Kumar Joshi
Shri Sanjay Jain
Shri Prithivish Mundra
Smt Nikita Moradia

Chairman and Managing Director
Independent Director
Independent Director
Independent Director
Independent Director
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Siddharth Jain

COMPANY SECRETARY

Ms. Richa Shah

STAUTORY AUDITORS

M/s Anil Bansal & Associates
Chartered Accountants
1001 IJMIMA Complex,
Raheja's Metroplex, Link Road,
Malad (W), Mumbai – 400064

COST AUDITORS

Ms. Nikita Talati of Ms. NNT & Co.
Cost Accountants
602 Silver Matru Prabha
Cama Lane, Kiroi Road,
Ghatkopar West, Mumbai -400086

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt Ltd
C-101, 247 Park, LBS Marg,
Surya Nagar,
Vikhroli West,
Mumbai 400 083

INTERNAL AUDITORS

M/s P Danyach & Associates
Chartered Accountants
B 202 Sheraton Classic
Dr Charat Sing Colony
Chakala, Andheri East,
Mumbai-400069

REGISTERED OFFICE

Unit B, 510 Western Edge
II Village Nr. W.E. Highway,
Magathane, Borivali (E),
Mumbai – 400066 Dist Thane 421312

PLANT LOCATION

Plot No 28, 29
Shah and Mehta Industrial Estate,
Village Ghonsai, Taluka Wada,

CORPORATE OFFICE

204, Tanishka Commercial Building
Akurli Road, Near - Growel 101 Mall,
Kandivali – East, Mumbai 400101

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DIRECTORS' REPORT

To
The Members
Hilton Metal Forging Limited

Your Directors have pleasure in presenting the Seventeenth Annual Report together with the Audited Financial Statements for the Financial Year (FY) ended 31st March, 2022.

1. FINANCIAL HIGHLIGHTS

(Rs in Lakhs)

Particulars	FY 2021-22	FY 2020-21
Total Income	8,418.99	4,769.81
Total Expenses	8,534.58	7,119.80
Profit Before Tax	(249.81)	(2,349.99)
Provision for Tax	(426.02)	(392.81)
Profit After Tax	176.21	(1,957.17)

2. COMPANY'S PERFORMANCE REVIEW

During the FY under review, the total revenue of the Company increased to Rs. 8413.97 Lakhs (PY: Rs 4751.57 Lakhs). During the year under review, Profit after Tax (PAT) was recorded at Rs. 176.21 Lakhs (PY: Loss of Rs. 1957.17 Lakhs).

3. CHANGE IN NATURE OF BUSINESS

There was no change in nature of business of the Company during the year under review.

4. TRANSFER TO RESERVES IN TERMS OF SECTION 134(3)(J) OF THE COMPANIES ACT, 2013

The Company has not transferred any amount to General Reserves during the FY under review.

5. DIVIDEND

Your Directors have not recommended any dividend for the FY 2021-22.

6. TRANSFER OF UNPAID AND UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

Pursuant to the provisions of Section 124 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the declared dividends, which remains unpaid or unclaimed for a period of 7 (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).

Accordingly, during the year, the Company has transferred the unpaid or unclaimed dividend for the period of 7 (seven) years from the date they became due for payment alongwith the shares thereof, to IEPF. The list of equity shareholders whose shares are transferred to IEPF can be accessed on the website of the Company at <https://www.hiltonmetal.com/announcements/>

The 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 abovementioned 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	2014-15	30-09-2015	68,632	06-11-2022
2	2015-16	NA	-	-
3	2016-17	NA	-	-
4	2017-18	NA	-	-
5	2018-19	NA	-	-
6	2019-20	NA	-	-
7	2020-21	NA	-	-

7. PUBLIC DEPOSITS

During the FY under review, the Company has not accepted any deposits from the public and as such, there are no outstanding deposits within the purview of section 73 of the Companies Act, 2013 and rules made thereunder.

8. INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

The Company does not have any Subsidiary, Joint Venture or Associate Company.

9. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT

No material changes and commitments, which could affect the Company's financial position, have occurred between the end of the financial year and the date of this Report except allotment of 25,56,984 warrants fully convertible into equivalent number of Equity Shares of the Company on 18th May, 2022, to Nexia International Private Limited, a Non-promoter.

10. ANNUAL RETURN

The Annual Return pursuant to Section 92(3) read with Section 134(3)(a) of the Act is available on Company's website at <https://www.hiltonmetal.com/annual/>

11. DIRECTORS AND KEY MANAGERIAL PERSONNELS**a) Composition of Board and Key Managerial Personnel**

The Board is constituted in accordance with the requirements of the Act read with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

During the year under review, Mr. Navraj Malhotra (DIN - 00225183), has tendered his Resignation from the position of Whole -Time Director with effect from Thursday, 31st March, 2022. He will continue to serve the Company in the official capacity of "President- Technical" w.e.f. 1st April, 2022.

Appointment/Re-appointment of Directors in AGM

In terms of provisions of the Companies Act, 2013, Mr. Yuvraj Malhotra, Chairman and Managing Director of the Company, will retire by rotation at the ensuing Annual General Meeting in pursuance of Section 152 of the Act and being eligible, and offers himself for re-appointment. The Board recommends his re-appointment.

As stipulated under the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief resume of the Directors proposed to be appointed/re-appointed is given in the Notice convening 17th Annual General Meeting.

Key Managerial Personnel

Pursuant to the provisions of Sections 2(51), and 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Yuvraj Malhotra, Managing Director, Mr. Siddharth Jain, Chief Financial Officer and Ms. Richa Shah, Company Secretary are the Key Managerial Personnel of the Company as on 31st March 2022.

b) Declaration by Independent Director(s)

The Company has received declarations from all the Independent Directors of the Company affirming compliance with the criteria of independence laid under the provisions of Section 149(6) of the Act and under Regulation 16 (1) (b) of Listing Regulations.

c) Board Meetings

During the year under review, the Company held Ten Board Meetings and a separate meeting of Independent Directors. The details of meetings of the Board are provided in the Report on Corporate Governance that forms part of this Annual Report. The maximum interval between any two meetings did not exceed the gap prescribed under the Act read with Circulars issued thereunder.

d) Performance Evaluation of the Board

Pursuant to the provisions of the Act, and Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, the directors individually, as well as the evaluation of the working of its committees.

At the meeting of the Board all the relevant factors, that are material for evaluating the performance of individual Directors, the Board and its various committees were discussed in detail. Various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance etc. were taken into consideration.

A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the independent Directors was carried out by the entire Board.

The performance evaluation of the Chairman and non-independent Directors was also carried out by the Independent Directors at their separate meeting. The Directors expressed their satisfaction with the evaluation process.

e) Committees of the Board

The Board has constituted a set of committees in accordance with the requirements of the Act. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The statutorily mandated committees constituted under the provisions of the Act and Listing Regulations are Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee. The composition, terms of reference and other such necessary details of these Board level committees are provided in the Corporate Governance Report forming part of this Annual Report.

f) Nomination and Remuneration policy

Pursuant to the Provision of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulation and on recommendation of the Nomination and Remuneration Committee, the Board of Directors has adopted a policy on Criteria for Selection and Appointment of Directors, Senior Management Personnel and their remuneration. Nomination and Remuneration policy is applicable to all Directors, Key Managerial Personnel (KMP), Senior Management team and other employees of the Company and the same is available on the Company's Website at <https://www.hiltonmetal.com/corporate-governance/>

g) Vigil Mechanism

As per the provisions of Section 177(9) of the Companies Act, 2013, the Company has formulated Whistle Blower Policy and is required to establish a vigil mechanism for Directors and Employees. The Whistle Blower Policy can be accessed on the Company's website <https://www.hiltonmetal.com/corporate-governance/>

12. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors acknowledge the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of annual accounts for the year ended on 31st March 2022 and confirm that:

- a. In the preparation of the annual accounts, for financial year 2021-22, the applicable accounting standards had been followed and there are no material departures from the same;
- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. The directors had prepared the annual accounts on a going concern basis;
- e. the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has formulated and adopted the "Code of Conduct to regulate, monitor and report trading by designated persons in Listed or Proposed to be Listed Securities" of the Company ("the Insider Trading Code"). The

object of the Insider Trading Code is to set framework, rules and procedures which all concerned persons should follow, while trading in listed or proposed to be listed securities of the Company.

The Company has also adopted the Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“the Code”) in line with the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018 and formulated a Policy for determination of ‘legitimate purposes’ as a part of the Code. The Code also includes policy and procedures for inquiry in case of leakage of Unpublished Price Sensitive Information (UPSI) and aims at preventing misuse of UPSI. The Code is available on the Company’s website at <https://www.hiltonmetal.com/corporate-governance/>

The Company Secretary appointed serve as the Compliance Officer to ensure compliance and effective implementation of the Insider Trading Code. Matters related to insider trading code are reported to the Audit Committee.

14. RISK MANAGEMENT

The Company implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to ensure that a robust system on risk controls and mitigation is in place. Senior management periodically reviews this risk management framework to keep update and address emerging challenges.

15. DETAILS ABOUT CSR COMMITTEE, POLICIES, IMPLEMENTATION AND INITIATIVES

Provisions of Section 135 of Companies Act, 2013 are not applicable to the Company.

16. REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance as stipulated under Listing Regulations forms an integral part of this Annual Report. Certificate from the Auditors of the Company confirming compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the report on Corporate Governance.

17. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the year under review, forms an integral part of this Annual Report.

18. AUDITORS

a) **STATUTORY AUDITORS AND THEIR REPORT:**

M/s. Anil Bansal & Associates, Chartered Accountants, have been appointed as statutory auditors of the Company by the shareholders of the Company from the conclusion of 13th Annual General Meeting till the conclusion of the 18th Annual General Meeting.

The Company has received a confirmation from them to the effect that their appointment, if made, would be within the prescribed limits U/s 141 of the Companies Act, 2013 and the Rules framed thereunder.

Further the Auditors’ Report for the financial year ended, 31st March, 2022 is annexed herewith for your kind perusal and information.

The observations and comments given by the Auditors in their report read together with notes to Accounts are self-explanatory and hence do not call for any further comments under section 134 of the Companies Act, 2013.

b) **COST AUDITORS AND THEIR REPORT:**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company are required to be audited. In view of above, the Board has appointed Ms. Nikita Talati of M/s NNT & Co, Cost Accountants as the Cost Auditor of the Company for conducting the Cost Audit for the Financial year 2021-22.

The Board of Directors of the Company, on the recommendations made by the Audit Committee, have appointed Ms. Nikita Talati of M/s NNT & Co, as the Cost Auditors of the Company to conduct the audit of cost records for the financial year 2022-23. Ms. Nikita Talati, being eligible, have consented to act as the Cost Auditors of the Company for the financial year 2022-23. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor forms part of the Notice convening the 17th Annual General Meeting.

c) **SECRETARIAL AUDITOR AND THEIR REPORT:**

Pursuant to the provisions of Section 204 of the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (as amended) the Company has appointed Ms. Shreya Shah, Practicing Company Secretary (Membership No. 39409) for conducting Secretarial Audit of the Company for the financial year ended on 31st March, 2022.

The Secretarial Audit Report for the financial year ended 31st March, 2022 is annexed herewith and marked as '**Annexure I**' to this Report. In the Report, the Secretarial Auditor has observed the following:

- i. Section 148(6) of the Companies Act, 2013-Delay in filing e-Form CRA-4 for the financial year ended on 31st March 2021 within the due date as prescribed under the Companies Act, 2013 and the rules made thereunder

Directors Comments:

Delay in filing was caused due to pendency in certain cost audit issues.

- ii. Section 77 of the Companies Act, 2013-Non-filing of e-Form CHG-1 for creating charge by way of hypothecation on the assets of the Company for availing credit facility from South Indian Bank Limited amounting to INR 60 Lakhs

Directors Comments:

The Board members shall review the requirements of filing e-Form CHG-1 and would comply, if applicable.

- iii. Regulation 29(2) of SEBI (LODR) Regulations, 2015-Non-furnishing of prior intimation of the Board Meeting held on 26th November, 2021 to consider the agenda for fund raising

Directors' Comments:

The discussion amongst the Board members was prima facie about the various modes by which the long term funds is to be bought in the Company and the meeting was concluded on the note that the said discussion will be continued in the upcoming Board Meetings since the selection of mode to raise funds still needs to be evaluated.

- iv. Regulation 164 of Chapter V of ICDR Regulations, 2018- Deriving Incorrect Price of INR 15.39/- per Share Warrant derived for proposed issue of 25,56,984 Share Warrants on preferential basis ("Issue")

Directors' Comments:

The Company calculated the incorrect issue price of INR 15.39/- per Warrant inadvertently by considering its equity shares as "infrequently traded shares". On receiving instructions from the exchanges wherein application for In-principle for the proposed Issue was filed and on realizing the mistake, the Company immediately submitted the undertaking confirming the revised issue price of INR 21.06/- per Warrant along with the pricing certificate issued by Chartered Accountant and confirming the further course of action to comply with the ICDR Regulations, 2018

Annual Secretarial Compliance Report

The Company has undertaken an audit for the Financial Year 2021-22 for all applicable compliances as per SEBI Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report duly signed by Ms. Shreya Shah has been submitted to the Stock Exchanges and is annexed herewith and marked as '**Annexure II**' to this Report.

d) Internal Auditor & their reports

Pursuant to the provisions of Section 138 of the Act read with the Companies (Accounts) Rules, 2014, the Company has appointed M/s. P Danyach & Associates, Chartered Accountants as the Internal Auditors of the Company.

The Internal Audit reports are reviewed by the Audit Committee on periodic basis.

e) Reporting of fraud by Auditors

During the FY under review, the Auditors of the Company have not identified or reported any fraud as specified under Section 143(12) of the Companies Act, 2013 to the Audit Committee.

19. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls system, commensurate with the size, scale and complexity of its operation. The scope and authority of the Internal Audit function is well defined. The Internal Auditor reports to the Chairman of the Audit Committee. Based on the report of internal audit, management undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

The Audit Committee evaluates the efficiency and adequacy of the financial control system in the company and strives to maintain the standards in the Internal Financial Control.

20. PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS

Pursuant to Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, disclosures on particulars relating to loans, advances and investments as on 31st March 2022 are given in the Notes to the Financial Statements. There are no guarantees issued, or securities provided by your Company in terms of Section 186 of the Companies Act, 2013, read with the Rules issued thereunder.

21. PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with related parties during the FY were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company and hence, enclosing of Form AOC-2 is not required. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the notes to the Financial Statements.

22. SHARE CAPITAL:

The Company has neither issued any Sweat Equity Shares or Bonus shares nor have bought back any of its securities nor have provided any stock option scheme to the employees during the FY under review.

23. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith and marked as "Annexure-III"

24. PARTICULARS OF EMPLOYEES:

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Act read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is forming part of the Directors' Report for the year ended 31st March, 2022 and is attached to this Report and marked as "Annexure IV"

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014, there are no employees drawing remuneration in excess of the limits set out in the said rules.

25. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's premises through various practices and always endeavors to provide an environment that is free from discrimination. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological. The Company also ensures all allegations of sexual harassment are investigated and dealt with effectively and appropriately.

Your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year ended 31st March, 2022, the Company has not received any complaints of sexual harassment.

26. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC, 2016) DURING THE YEAR ALONG WITH STATUS AT THE END OF THE FINANCIAL YEAR

The Company has not made any application nor any proceeding is pending against the company under IBC, 2016.

27. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS ALONG WITH REASONS THEREOF

Since the Company has not entered into any One Time Settlement with Banks or Financial Institutions, furnishing details in this regard, is not applicable.

28. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There were no significant and material orders passed by the regulators or courts or Tribunals impacting the going concern status and Company's operation in future.

29. STATUTORY COMPLIANCE

The Company has complied with all the statutory requirements. A declaration regarding compliance of the provisions of the various statutes is also made by the Managing Director. The Company ensures compliance of the Companies Act, 2013; SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and various statutory authorities on quarterly basis in the Board Meeting.

Compliance with Secretarial Standards

During the year under review, the Company has complied with all the applicable mandatory Secretarial Standards.

30. APPRECIATION & ACKNOWLEDGEMENTS:

The Board of Directors would like to express their sincere appreciation for the commitment, dedication and hard work done by the employees of the Company and the positive co-operation extended by Banks, Government Authorities, Customers and various other stakeholders. The Board also wishes to place on record their deep gratitude towards the shareholders for their continued support and confidence.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 12th August, 2022

Yuvraj Malhotra
Chairman & Managing Director
DIN: 00225156