



Hilton Metal Forging Ltd. TM

GOVT. RECOGNIZED EXPORT HOUSE

CIN : I-28900 MN 2005 PLC 154986

CORPORATE OFFICE :
204, TANISHKA COMMERCIAL BUILDING,
AKURLI ROAD, KANDIVALI (EAST)
MUMBAI – 400101



REGISTERED OFFICE :
B-510, WESTERN EDGE-II,
N.R. WESTERN EXPRESS HIGHWAY,
MAGATHANE, BORIVALI EAST,
MUMBAI-400066

Date: 5th September, 2024

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400001 Scrip Code: 532847	National Stock Exchange of India Limited 5 th Floor, Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai-400051 Symbol: HILTON
---	--

Dear Sir/Madam,

Sub : Submission of 19th Annual report for the Financial Year 2023-24

Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, we hereby submit the 19th Annual report for the Financial Year 2023-24.

Kindly take the above on your record.

Yours Faithfully,

For Hilton Metal Forging Limited

Mr. Yuvraj Malhotra
Chairman and Managing Director
DIN: 00225156

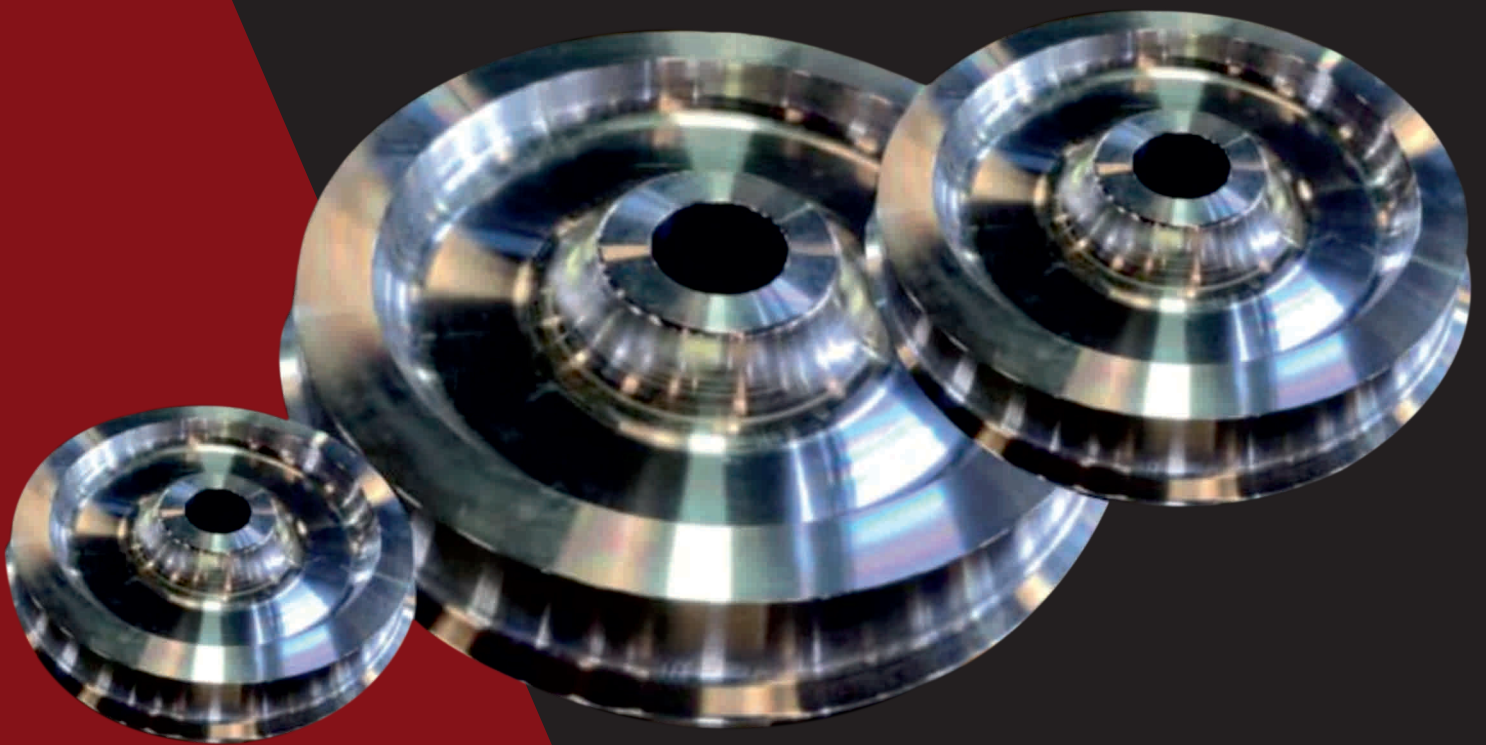
Encl: As above



HILTON

METAL FORGING LTD.

**Empowering Railways with Innovation-Driven
Indian-Made Forged Wheels**



Annual Report 2023-2024

BOARD OF DIRECTORS

Shri Yuvraj Malhotra
Shri Sandeep Ravindra Shah
Shri Prithivish Mundra
Smt Nikita Moradia
Shri Vivek Sharma
Shri Priyam Chaturvedi

Chairman and Managing Director
Independent Director
Independent Director
Independent Director
Non-Executive Non-Independent Director
Non-Executive Non-Independent Director

CHIEF FINANCIAL OFFICER

Mr. Mohak Malhotra

COMPANY SECRETARY

Ms. Richa Shah

STATUTORY AUDITORS

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

COST AUDITORS

Mr. Ritesh Talati of M/s. V J Talati & Co.
Cost Accountants
602 Silver Matru Prabha
Cama Lane, Kirol 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. Paresh Kapasi & Associates
Chartered Accountants
Bungalow No 40, Jansukh Niwas,
Kasturba Road, Kandivali (West),
Mumbai - 400 067.

REGISTERED OFFICE

303, Tanishka Commercial Co-op. Society Ltd
Akurli Road, Kandivali East,
Near Growel 101 Mall,
Mumbai-400101
Telephone No. +91-22-40426565

PLANT LOCATION

Plot No 28, 29
Shah and Mehta Industrial Estate,
Village Ghonsai, Taluka Wada,
Dist Thane 421312

CORPORATE OFFICE

204, Tanishka Commercial Building
Akurli Road, Near Growel 101 Mall,
Kandivali – East, Mumbai 400101
Telephone No. +91-22-40426565

CONTENTS

Sr. No.	Particulars	Page No.
1	Company Information	1
2	From The Chairman's Desk	2
3	Directors' Report and it's Annexures	3
4	Management Discussion and Analysis Report	23
5	Report on Corporate Governance	29
6	Independent Auditor's Report	50
7	Financial Statements	59

FROM THE CHAIRMAN'S DESK

Dear Shareholders,

The year gone by has been exceptional for us at Hilton Metal Forgings Limited. It has been characterised by unparalleled achievements and substantial advancements in our operations. I am truly privileged to extend my gratitude to our esteemed stakeholders for their everlasting trust in Hilton. At the outset, I would like to present a brief overview of our journey and milestones achieved throughout the years.

The journey of Hilton Metal Forgings Ltd started with the manufacturing of Stainless Steel Forged Items. Over time, we have emerged as the nation's emerging producer of automobile crankshafts and Railway Wheels. Today, our Company stands as a venerable Indian manufacturer with over two decades of legacy, specialising in producing and supplying intricate and safety-critical, heavy-forged, and high-precision machined components towards petrochemicals, automobiles and railway industry.

Leveraging our vertically integrated operations, we are deeply involved in engineering, process design, rigorous testing, manufacturing, and the seamless supply of a diverse range of components to both domestic and global original equipment manufacturers (OEMs).

Our commitment to growth and innovation is perfectly encapsulated in our overarching theme for this fiscal year, 'Accelerating Engineering Excellence. Driving Value Accretive Growth.' It underscores our dedication to leading transformative advancements within the industry and reaffirms our determination to drive a positive paradigm shift in engineering excellence.

The global economy witnessed a remarkable resurgence in the past year. It recovered from recent upheavals, prompting central banks to halt interest rate hikes amid moderating inflationary pressures. However, persistent geopolitical tensions and the Red Sea crisis, including the strife between Israel and Palestine, continue to present significant challenges. Amidst all this, India stands out as a beacon of economic dynamism, showcasing the fastest growth among major economies and attracting substantial foreign investments, thus solidifying its pivotal role in the Global South. This economic upswing is fuelled by India's vibrant and youthful demographic dividend alongside a conducive business environment.

The global forging and machining markets are currently experiencing steady growth. The forging industry is poised to reach an impressive US\$97.0 bn by FY 2029, with a projected Compound Annual Growth Rate (CAGR) of 5.1% for forging. Similarly, the machining industry expects a CAGR of 5.2%, surging towards a value of US\$71.2 bn. In terms of the non-automotive sector encompassing farm equipment, off-highway vehicles, and industrial, the global forging and machining markets are expected to reach approximately \$35.2 bn and \$13.3 bn, respectively, in 2025. These figures are likely to escalate significantly to approximately \$47.4 bn and \$18.0 bn by the year 2029, reflecting a promising trajectory of growth and expansion.

Hilton Metal Forgings has demonstrated robust growth, registering a healthy CAGR of 34% and 33.98% in revenues and profits respectively over the last 5 years. It gives me immense pride to showcase our Company's transformation into a leading entity within the forging and machining sectors. By strategically realigning our business model, we have expanded our footprint across diverse sectors and enhanced our portfolio of products and services. Our core focus remains on developing solutions that reduce carbon emissions and boost operational efficiency, thereby promoting eco-friendly practices. We recognise the need to be an environmentally responsible organisation and are committed to halving Scope 1 and Scope 2 emissions by 2030. At the heart of our vision lies a relentless pursuit of pioneering sustainable and environment-friendly innovations. We are dedicated to making a tangible impact by fostering a greener future and actively contributing to global sustainability efforts.

Our dedication goes beyond our workplace's confines to foster community well-being as well, exemplifying our commitment to redefining possibilities by repurposing resources for educational advancement and societal betterment. At HMFL, we remain determined to pursue innovation, sustainability, and operational excellence. Our strategic investments and sustainable practices will continue to drive value creation for all stakeholders while contributing to creating a resilient and prosperous future for generations to come. In conclusion, I sincerely thank our esteemed stakeholders for their unwavering support and trust in Hilton Metal Forging Limited. Together, we embark on an exciting journey of continuous growth and achievement, pushing the boundaries of possibility and innovation to new heights.



YUVRAJ MALHOTRA

DIRECTORS' REPORT

To,
The Members
Hilton Metal Forging Limited

Your Directors have pleasure in presenting the Nineteenth Annual Report together with the Audited Financial Statements for the Financial Year (FY) ended 31st March, 2024.

1. FINANCIAL HIGHLIGHTS

Particulars	FY 2023-24	FY 2022-23
Total Income	13,988.80	10,539.30
Total Expenses	13,202.28	9,835.85
Profit Before Tax	786.52	703.45
Provision for Tax	117.94	117.47
Profit After Tax	668.58	585.97

2. COMPANY'S PERFORMANCE REVIEW

During the year under review, the total turnover of the Company increased to Rs. 13,807.11 lakhs (PY: Rs. 10,482.95 lakhs). During the year under review, Profit after Tax (PAT) was recorded at Rs. 668.58 lakhs (PY: Rs. 585.97 lakhs).

3. CHANGE IN NATURE OF BUSINESS

There was no change in the 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 FY 2023-24.

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 ("the Act") and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the declared dividends, which remain 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).

During the year under review, the Company was not required to transfer any dividend to Investor Education and Protection Fund (IEPF).

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 Act, 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 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.

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 PERSONNEL**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, following changes were made in the Composition of the Board.

Induction to the Board:

Based on the recommendation of the Nomination and Remuneration Committee (NRC) and subject to the approval of the shareholders, the Board, in accordance with the provisions of Section 161 of the Act and applicable SEBI Listing Regulations, appointed Mr. Vivek Sharma (DIN: 10238196) and Mr. Priyam Chaturvedi (DIN: 10238193) as Additional Non-Executive and Non-Independent Directors of the Company, liable to retire by rotation w.e.f. 13th July, 2023. The shareholders of the Company approved the above appointment of Mr. Vivek Sharma and Mr. Priyam Chaturvedi as Non-Executive and Non-Independent Directors of the Company by way of ordinary Resolutions at the 18th Annual General Meeting of the Company held on 25th August, 2023.

Appointment/Re-appointment of Directors in AGM

In terms of provisions of the Act, Mr. Priyam Chaturvedi (DIN: 10238193), Non-Executive and Non-Independent 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, offers himself for re-appointment. The Board recommends his re-appointment.

As stipulated under 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 19th Annual General Meeting.

Cessation:

Mr. Sanjay Jain (DIN: 00152758), resigned as Independent Director of the Company w.e.f. close of business hours of 27th July, 2023 due to personal and other professional commitments and inability to travel frequently between cities and further he has confirmed that there was no other material reason for his resignation other than mentioned above for his resignation.

Mr. Sukesh Joshi (DIN: 08153689), ceased to be an Independent Director of the Company w.e.f. close of business hours of 25th August, 2023 on account of completion of his second term as an Independent Director of the Company.

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, Chairman & Managing Director, Mr. Mohak Malhotra, Chief Financial Officer and Ms. Richa Shah, Company Secretary are the Key Managerial Personnel of the Company as on 31st March 2024.

Mr. Siddharth Jain, resigned as Chief Financial Officer of the Company w.e.f. close of business hours of 30th June, 2023.

Mr. Mohak Malhotra was appointed as Chief Financial Officer of the Company w.e.f. 13th July, 2023.

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 Seven 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.

d) Performance Evaluation of the Board

Pursuant to the provisions of the Act, and Regulation 17 of Listing Regulations, 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 the 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 Act and Regulation 19 of Listing Regulations 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 Act, 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 at <https://www.hiltonmetal.com/corporate-governance/>

12. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Act, in the preparation of annual accounts for the year ended on 31st March 2024 and confirm that:

- a. in the preparation of the annual accounts, for financial year 2023-24, the applicable accounting standards had been followed and there were 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 of Conduct for prevention of Insider Trading is available on Company's website <https://www.hiltonmetal.com/corporate-governance/>

The Company Secretary appointed serves as the Compliance Officer to ensure compliance and effective implementation of the Insider Trading Code. Matters related to the 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 of risk controls and mitigation is in place. Senior management periodically reviews this risk management framework to keep it updated and address emerging challenges.

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

In accordance with Section 135 of the Companies Act, 2013 ("the Act"), all the Companies having net worth of Rs. 500 crore or more, or a turnover of Rs. 1000 crores or more or net profit of Rs. 5 crores or more during the immediately preceding financial year, are required to spend 2% of the average profits of last three preceding financial years on Corporate Social Responsibility ("CSR") activities. The provisions of Section 135 of the Act are applicable to your company since your Company had a net profit of Rs. 5 crores or more during the immediately preceding financial year i.e. during FY 2022-23.

However, since the 2% of average net profits of the last three years is negative, Your Company was not required to spend on CSR during FY 2023-24.

Hence, the CSR Report as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to your Company for FY 2023-24.

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 Statutory Auditor of the Company confirming compliance of conditions of Corporate Governance as stipulated under Listing Regulations 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 (Firm Registration Number: 100421W) were re-appointed as Statutory Auditors of the Company in the 18th Annual General Meeting (AGM) of the Company held on 25th August, 2023, for second term of five consecutive years, from the conclusion of 18th AGM till the conclusion of 23rd AGM to be held in the year 2028.

The Statutory Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules made thereunder to continue to act as Statutory Auditors of the Company.

Further, the Auditors' Report for the financial year ended, 31st March, 2024 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 Act.

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.

The Board of Directors of the Company, on the recommendation of the Audit Committee, has appointed Mr. Ritesh N. Talati of M/s. V. J. Talati & Co. as the Cost Auditors of the Company to conduct the audit of cost records for the financial year 2024-25. Mr. Ritesh N. Talati, being eligible, has consented to act as the Cost Auditors of the Company for the financial year 2024-25. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor for approval by the members forms part of the Notice convening the 19th 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, 2024.

The Secretarial Audit Report for the financial year ended 31st March, 2024 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 read with Rule 6(6) of the Companies (Cost Records and Audit) Rules, 2014 - Delay in filing e-Form CRA-4 for registering Cost Audit Report with the Central Government.

Directors Comments: Delay in filing was caused due to late receipt of Cost Audit Report.

- ii. Rule 7(3) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 - Delay in filing e-Form ZNCA_IEPF5_VPR_PRD (Online Verification Report) post verification of e-Form IEPF-5 filed.

Directors Comments: Delay in filing was caused due to late receipt of RTA Report on the claim made by the Investor in e-Form IEPF-5.

- iii. Section 79 of the Companies Act, 2013 – Delay in filing e-Form CHG-1 for registering modification of Charge ID -10021558 for availing credit facilities from the State Bank of India.

Directors Comments: Delay in filing was caused due to late receipt of relevant charge modification documents from the Bank.

- iv. Section 79 of the Companies Act, 2013- Non-filing of e-Form CHG-1 for registering modification of Charge ID -10021558 for availing credit facilities from the State Bank of India vide their Sanction Letter dated 15th April, 2023.

Directors Comments: Non-filing was caused due to late receipt of relevant charge modification documents beyond the prescribed period of 120 days.

Annual Secretarial Compliance Report

The Annual Secretarial Compliance Report for the Financial Year 2023-24 issued for all applicable compliances as per SEBI Regulations and Circulars/Guidelines issued thereunder by Ms. Shreya Shah has been submitted to the Stock Exchanges and is annexed 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. Pares Kapasi & Associates, Chartered Accountants as the Internal Auditors of the Company.

The Internal Audit reports are reviewed by the Audit Committee on a 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 Act to the Audit Committee.