



**FORGINGS AS YOU LIKE...**

**ANNUAL REPORT 2010-2011**

## HILTON METAL FORGING LTD.

### BOARD OF DIRECTORS :

Shri Yuvraj Malhotra	CMD
Shri Navraj Malhotra	Whole time Director
Shri Harmohindar Singh Dhingra	Director
Shri Joseph Mc Kay	Director
Shri Manoj Kumar More	Director
Shri Sanjay Jain	Director
Shri Navin Chokshi	Director

### AUDITOR :

M/s R. K. Chaudhary & Associates,  
Chartered Accounts,  
3rd Floor, Kamanwala Chambers,  
Sir P. M. Road, Fort,  
Mumbai - 400 001.

### REGISTERED & CORPORATE OFFICE :

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

### BANKERS:

State Bank of Hyderabad  
State Bank of Indore

### REGISTRAR & SHARE TRANSFER AGENTS :

Sharex Dyanamic (India) Pvt. Ltd.  
Unit No. 1, Luthra Industrial Premises,  
Andheri Kurla Road, Safed Pool,  
Andheri (East), Mumbai - 400072.

### CONTENTS :

1. Notice	02
2. Directors' Report	04
3. Management Discussion and Analysis Report	09
4. Corporate Governance Report	12
5. Auditor's Report	19
6. Balance Sheet	23
7. Profit & Loss Account	24
8. Schedule to Account	25
9. Balance Sheet Abstract and Company's General Profile	35
10. Cash Flow Statement	36

## **NOTICE**

Notice is hereby given that the Sixth Annual General Meeting of the Members of Hilton Metal Forging Limited will be held on Wednesday, the 28<sup>th</sup> September, 2011 at 701 Palm Spring, Link Road, Malad (West), Mumbai-400064 at 4.00 p.m. to transact the following business :

### **AS ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2011 and the profit & loss account for the year ended on that date along with the schedules thereon and the Reports of the Directors and Auditors thereon.
- 2) To appoint a director in place of Mr Harmohindar Singh Dhingra who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint a director in place of Mr. Joseph McKay who retires by rotation and being eligible offers himself for re-appointment
- 4) To declare dividend.
- 5) To appoint Auditors and to fix their remuneration.

**For and On Behalf of Board of Directors**

CHAIRMAN

### **Registered office**

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

Date: 29<sup>th</sup> July, 2011  
Place: Mumbai

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. Proxy Form and Attendance Slip are enclosed. Proxies, duly stamped and executed, must reach at the Registered Office of the Company not less than 48 Hours before the commencement of the Annual General Meeting
3. Dividend when declared will be paid to all the Shareholders who are entitled to receive payment and whose names appear in the Register of Members as on the 28<sup>th</sup> September, 2011
4. All documents referred in the Notice and Explanatory Statement is available for inspection for eligible members on all working days except on Saturdays, and holidays between 11.00 a.m. to 01.00 p.m. up to the date of the General Meeting.
5. Members holding shares in Dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Annual General Meeting.
6. Members/ Proxies should bring their copy of Annual Report and also the attendance slip duly filled in for attending the meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> September, 2011 to 28<sup>th</sup> September, 2011 -both days inclusive.
8. As required under clause 49(IV) (G) of the Listing Agreement of the Stock Exchanges, the relevant details of persons seeking appointment/ re-appointment as Directors are furnished in the Corporate Governance Section of this Annual Report.

**For and On Behalf of Board of Directors**

**CHAIRMAN**

**Registered office**

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

Date: 29<sup>th</sup> July, 2011

Place: Mumbai

## DIRECTORS' REPORT

To  
**The Members**  
**Hilton Metal Forging Limited**

1. Your Directors present the Sixth Annual Report and the Audited Statement of accounts of the Company for the year ended March 31<sup>st</sup>, 2011.

### Financial Results

(Rs in Lacs)

Particulars	Year Ended March 2011	Year Ended March 2010
Sales	6158.29	4707.42
Other Income	351.48	346.83
Profit before Interest, Depreciation, exceptional Items and Tax	713.35	753.08
<b>Less : Finance Charges</b>	337.64	408.16
Profit before Depreciation, exceptional Items, Waivers and Tax	375.71	344.92
<b>Less: Depreciation</b>	197.44	185.05
Profit before exceptional Items and Tax	178.27	159.87
<b>Less: Exceptional Items</b>	47.84	47.84
Profit Before Tax	130.43	112.03
<b>Less: Current Tax /Deferred Tax</b>	113.90	130.91
Profit after Tax	16.53	(18.88)
Balance Brought forward from previous year	573.32	557.96
Prior Period Expenses		
Excess provision written back / written off	-0.01	105.64
Balance Available for Appropriation	589.84	644.72
Appropriation		
Proposed Dividend for the Financial year at the rate of Rs.0.25 per share	31.12	31.11
Corporate Dividend Tax	5.29	5.29
Transferred to General Reserves	35.00	35.00
Balance Carried forward	518.43	573.32

### 2. Operations & Future Outlook

The Company achieved net sales and other income of Rs 6508.64 lacs for the year ended on 31st March, 2011 as against net sales and other income of Rs 5054.49 lacs achieved in the previous year, recording an increase of 28.78% in turnover. The year under review, ended with a gross profit of Rs. 713.35 lacs (previous year Rs 753.08 Lacs) and pre-tax profit of Rs 130.43 Lacs (Previous year Rs 112.03 Lacs). Though the turn-over is increased during the year under review, margin of profit is reduced due to stiff hike in various inputs like furnace oil, electricity etc.

### 3. Dividend

Your Directors are pleased to recommend a dividend of 2.50% i.e Rupee 0.25 per Equity share of Rs 10 each for the year ended March 31st, 2011, resulting out flow will be Rs 36.41 lacs. Your Board further proposes to transfer to General Reserves an amount of Rs 35.00 lacs out of the profit.

### 4. Finance

The requirement of Working Capital finance has been sanctioned by the consortium of banks under leadership of State Bank of Hyderabad.

**5. Deposits :**

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

**6. Directors' Responsibility Statement:**

In view of the provisions of Section 217(2AA) of the Companies Act 1956, your Directors state that in preparation of the Financial Statements for the year ended 31st March, 2011 :

- a) The applicable Accounting Standards have been followed by the Company, with necessary explanation for material departure, if any;
- b) The accounting policies adopted and applied consistently, in the opinion of the Directors are reasonable and prudent and gives true and fair view of the state of affairs of the Company at the end of the financial period and of the Profit of the Company for the year ended on that date;
- c) The proper and sufficient care was taken for the maintenance of the adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) The accounts have been prepared on a going concern basis.

**7. Committees:**

In terms of the provisions of Companies Act, 1956, and considering the requirement under Clause 49 of the Listing Agreement of the Stock Exchanges, Audit Committee, Shareholders' Grievance Committee, Management Committee and Managerial Remuneration Committee have been formed with the required number of Independent Directors of the Company.

**8. Directors:**

Mr. Joseph McKay and Mr. Harmohindar Singh Dhingra the Directors, are liable to retire by rotation at the ensuing Annual General Meeting Being eligible and having given their consent to be re-appointed as the Directors, your Directors recommend their re-appointment.

**9. Auditors:**

M/s. R K Chaudhary & Associates, Chartered Accountants, Mumbai, retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. The members are requested to appoint the auditors.

The company has received a confirmation from them to the effect that their appointment, if made, would be within the prescribed limits U/S 224 (1B) of the Companies Act, 1956.

**10. Management Discussion and analysis  
Business of the company and over view**

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented in addition to the Directors Report in a separate section forming part of Annual Report.

**RISK MANAGEMENT**

The company recognizes that this is inevitable and believes in having optimum, well-defined and integrated risk management strategy. It also believes that proper risk identification, evaluation and mitigation would help to achieve its target of sustainable profitability and growth.

The upward fluctuation in raw material prices adversely effects profitability. Hence the company constantly monitors raw material price and revises the selling prices of its products.

**HUMAN RESOURCES**

The company's HR policy and process are aligned to effectively drive its expanding business and forays in to emerging opportunity. This has been achieved by continuous investing in training and development programs, creating a compelling work environment, empowering employees at all levels and maintaining well structured and recognition mechanisms. The company helps employees build new skills and new competencies and promotes knowledge sharing and team building. The company's recruitment practice ensures that suitable candidates with merit are recruited and provided with right opportunity.

**CAUTIONARY STATEMENT**

Statements in the management discussion and analysis describing the company's objective, projections, estimates and expectations may constitute "FORWARD LOOKING STATEMENTS" within the meaning of applicable laws and regulations, Actual results might defer materially from those either expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent development, information or events.

**11. Disclosure of particulars with respect to conservation of energy, foreign exchange earning / outgo etc :**

Statement giving particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under section 217(1)(e) of the Companies Act, 1956 is annexed.

**12. Particulars of Employees**

The statement under sub-section (2A) of section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended and forming part of this report is given in annexure. The annexure shall, however, be provided to the member on request to be made to the Company Secretary.

During the period under review, relation with the workmen continued to remain cordial. The Company has and possesses good faith and trust of the workers and continues having best industrial relation with its workmen force.

**13. Acknowledgements:**

Your Directors take this opportunity to thank the Company's Bankers, foreign buyers for their continued co-operation and patronage. The Board of Directors also Thank all the employees for their contribution, dedication, commitment and hard work and continued co-operation throughout the year.

**For and on behalf of the Board of Directors**

Sd/-

Mumbai  
Dated : 31<sup>st</sup> May 2011

Yuvraj Malhotra  
Chairman and Managing Director

**Annexure to Directors' Report**

**A. Conservation of Energy**

Energy conservation is priority area for the Company, Energy conservation measures taken during the year included :

1. Optimum utilization of maximum demand.
2. Replacement of all incandescent lamps with CFL
3. Control of Compressed air leakage
4. Awareness and training programs for employees

With proper planning and awareness, consumption of electricity and diesel was reduced compared to previous year. Proposed work area includes furnaces, water cooling plants, servo control voltage stabilizers for lighting, compressed air systems and selection of energy efficient plant and machinery. Due to new machines installation and new sheds made functional, consumption of energy is factually seen more as compared to last year.

**Form A  
(See Rule2)**

<b>Power and Fuel Consumption</b>	<b>Current year ended 31-03-2011</b>	<b>Previous year ended 31-03-2010</b>
1. Electricity		
Purchased Units (KWH)	2659222	2528268
Total Amount (in Rupees)	16306680	14445060
Rate/unit (Rs.)	6.13	5.71
2. Furnace Oil		
Quantity (KLS)	855	810
Total Amount (Rupees)	23267905	18951819
Average Rate Per KLS	27213.92	23397.31

**B. Consumption per unit of production**

The company produces wide range of forgings, flanges and other allied products. It is not practicable to establish product wise energy consumption.

**F O R M – B  
(DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY  
ABSORPTION, RESERCH AND DEVELOPMENT (R & D))**

**1. Specific area in which R & D carried out by the company**

The company is in continuous process of improving quality standards and developing new items for uses by different types of industries.

**2. Benefit derived as a result of the above R & D**

The direct result with the use of the above is the company's products are well established in export market and percentage of rejection is very negligible.



**3. Future plan and Action**

With expansion program, the company is willing to add more testing and laboratory equipment for total controlled analysis of different steel category.

**4. Expenditure on R & D**

The products of the company are mainly forging and flanges which does not require much of R & D since those are an established standard products like API/ASTM.

**TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION:**

The Company has installed one unit and planning to install two more units of Heat treatment plant to meet the quality of the product and also installed Vertical Machining Centre (VMC) for making dies strictly as per the customer's drawings. Heat Treatment Plant along with sophisticated die shop has been absorbed successfully in the plant.

**EXPORT INITIATIVES:**

The Company has exported to USA, United Kingdom and Germany. The Company has taken all around efforts and initiatives viz. participation in international fairs, and other marketing efforts. The Company will expand its client base to other countries and will strive for quality, efficient and international standards.

**FOREIGN EXCHANGE EARNING AND OUTGO:**

Activities relating to Exports: Our Foreign Exchange Earning through exports was to the tune of Rs 3259.68 Lacs. The Company's outgo of foreign exchange activities amounted to Rs 24.74 Lacs particulars of Foreign Exchange earning and the utilization during the period appears in Schedule XVI to the accounts.

Initiative taken to increase Exports etc;

1. Company regularly participates in various exhibition held in foreign, displaying its products approved by quality awarders world-wide and also demonstrate the company's competitiveness in quality and cost factors.
2. The Company is exercising level best efforts to multiply its relation with existing customers by fulfilling their supply needs.

**For and on behalf of the Board of Directors**

Mumbai  
Dated : 31<sup>st</sup> May 2011

Sd/-  
Yuvraj Malhotra  
Chairman and Managing Director

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### EXTERNAL ENVIRONMENT

2010-11 has reaffirmed the strength in the global economic recovery. In 2009, global output had reduced by 0.5%. Several major developed economies had witnessed a fall in economic output. Most of these developed economies bounced back in 2010 : USA grew by 2.8% in 2010 against (-) 2.6% in 2009; the Euro Zone grew by 1.7% in 2010 against (-) 4.1% in 2009; Japan grew by 3.9% in 2010 against (-) 6.3% in 2009. And, within the Euro Zone, Germany has staged a very strong recovery from (-) 4.7% in 2009 to 3.5% in 2010. This has contributed significantly to a recovery in world output growth to 5% in 2010.

The developing and emerging economies also witnessed higher growth in economic output of 7.1% in 2010 against 2.6% in 2009. China and India recovered strongly and are well on their high growth trajectory. Chart B shows that from the third quarter of 2009, both China and India have registered strong growth rates with the trend continuing throughout 2010. Advanced estimates suggest that while China grew by around 10% in 2010, India will register a GDP growth of 8.5% in 2010-11.

While growth is back, there are some concern areas. An environment of rising global demand, supply side constraints and increased speculative activities have led to sharp increases in commodity prices — such as crude oil, minerals and metals and food. With higher consumer and producer price inflation in all key emerging markets, especially India and China, it is not surprising that the central banks have raised interest rates and tightened money supply to curtail excess demand. This development carries two risks. First, is that the higher cost of finance may affect consumer demand. Second, is that it might impede future investments leading to slowing down of economic growth. In addition to these issues, higher input costs are exerting pressure on profit margins.

### INDUSTRY SCENARIO

The fortunes of the forging industry are on a rise - it has consistently recorded a notable increase in production capacity utilization and exports. In addition to the big players, the industry offers enough opportunities to small and medium size enterprises as well they form a large part of this industry. The industry, clearly, is one of our best bets to garner a substantial market share in the manufacturing sector, which as of now, is regarded as China's stronghold. No economy that aspires to hold sway in the global arena can afford not to lay emphasis on the manufacturing industry. Considering the confidence of companies abroad, who are outsourcing their operations to India; it is quite likely that the forging industry will be foremost among the segments that will steer manufacturing growth here. While the current performance of the industry is indeed flattering, what is more gratifying is the fact that players in the sector firmly believe it will scale greater heights in the coming years. The indications are all there - it's just a matter of time before the industry achieves its exceptional potential. This industry has therefore a tremendously bright future. India is definitely emerging as a globally competitive supply base and if companies upgrade their technology levels and modernize themselves, there is no limit to what they can achieve in terms of growth.

It's a niche business and so the size of this industry around the world is relatively small, and same is the case with India. There are more than 300 forging companies, in the small, medium and large sectors. In other industries, small players usually find it difficult to compete with the big players; but here, it's the other way round. What happens in this business, unlike any other business, is that it's the smaller companies which gain higher and higher level of competence and therefore start competing with some segments of products that the bigger players deal in. Hence, bigger players are forced to vacate that space and move on to higher value added products. There is therefore scope for everyone to play a fairly active role in this business - small, medium and large enterprises as well as very large enterprises. The smaller businesses will grow faster than the larger businesses in this industry because the opportunities are quite a lot and smaller businesses generally have much nimbler and more agile

organizations driven by the owner who usually is a technocrat entrepreneur and when there are business opportunities, he can access them faster than the larger business.

### **HIGHLIGHTS OF FINANCIAL PERFORMANCE OF HILTON METAL FORGING LIMITED**

The Board believes that it has been objective and prudent in making estimates and judgments relating to financial statements and confirms that these financial statements are true and fair representation of the Company's operation and profit for the year.

The Financial statements have been prepared in accordance with the requirement of the Companies Act, 1956, the Indian Accepted Accounting Principals and the Accounting Standards as prescribed by the Institute of Chartered Accountants of India.

The Overall Financial Picture of 2010-2011 is satisfactory. With close monitoring of costs and expenses, this year ended with pre tax profit of Rs .130.43 (Previous year Rs 112.03 Lacs).

This Management Discussion and Analysis of your company's financial condition and results of operations contains forward-looking statements regarding future events and future results. These are based on previous year's performance, current expectations, estimates, forecasts, and projections about the industries in which it operates and the beliefs and assumptions of the Company's management.

### **HUMAN RESOURCE (HR)**

Nurturing and developing human resource has been a major source of creating competitive advantage at Hilton Metal forging Limited. Over the years, company has maintained consistency in its efforts in training and developing its human resource with a view to face the competition.

THROUGH ITS DIFFERENT INITIATIVES, HMFL HAS CREATED A POOL OF COMPETENT MANPOWER.DURING FY2011, THE FOCUS ON LEARNING AND DEVELOPMENT WAS STRENGTHENED ACROSS THE COMPANY.

### **TOTAL QUALITY MANAGEMENT**

HMFL's quality management practices are based on three pillars — customer satisfaction, systematic improvements in all processes and people participation in improvements, all of which saw further progress during the year. The Company aims to enhance everyone's capability in problem solving, and thereby improve organisational capability to remain at the cutting edge of competition.

### **INFORMATION TECHNOLOGY**

HMFL leverages Information Technology effectively to improve revenue, productivity while reducing costs and risks of doing business. HMFL continued its journey on Knowledge Management by bringing about a change in the way the Company works with information across its units.

### **HEALTH, SAFETY, SECURITY ENVIRONMENT**

The Company already has in place its own Safety System. Regular training is imparted to the workers and staff at all levels. The increased focus on safety has resulted in improved safety records at all our Plants and thus has improved the working environment.

**CORPORATE SOCIAL RESPONSIBILITY AND ENVIRONMENT**

HMFL has always been recognized as a responsible corporate citizen. We care for the well being of the society. CSR represents an interesting evolution and culmination of philanthropy and ethics. Specifically, corporate philanthropy has evolved from the monetary donation and donation in kind to charitable organizations because “it's the right thing to do” to more strategic philanthropy where donations are focused on a theme that has some relationship to the company's core business.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

HMFL has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that transactions are authorised, recorded and reported quickly.

The Company's internal controls are supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability of assets.

**RISK AND CONCERNS**

In addition to the regular process-related risks inherent in global manufacturing companies there are some specific risks, which are to do with the Company's business model. These risks include:

1. Market Risk
2. Currency Risk
3. Interest Rate Risk
4. Insolvency Risks

**OUTLOOK**

FY2011 has seen the Company consolidate its recovery. With the focus on operations restructuring and optimal utilisation of facilities in India, HMFL has emerged from the downturn a structurally better equipped entity. With market demand showing secular growth, the Company is well positioned to leverage its internal cost advantages to generate greater growth and profits.

The Company believes in the infrastructure led growth of India; and it is well positioned to leverage opportunities in the Indian market. HMFL, with its technology, scale, global reach, capability and cost structure, will have opportunities to consolidate its global leadership position. With a strong India presence and lean overseas subsidiaries, HMFL believes it is back on growth path and is fairly optimistic about its prospects in FY2012.

**CAUTIONARY STATEMENT**

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the company's operations include a downtrend in the forging industry — global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs.

## 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 2010-11. 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:

5 Board Meetings were held at Mumbai during the year under review. The Board Meetings were held on 6th April, 2010, 31st May, 2010, 30th July, 2010, 29th October, 2010 and 31st January, 2011. 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.2010-2011	Attendance at A.G.M.	No. of other Directorship \$	Membership of other Board Committees
Mr. Yuvraj Malhotra	Chairman & Managing Director, Executive	5	Yes	Nil	Nil
Mr. Navraj Malhotra	Whole time Director Executive	5	Yes	Nil	Nil
Mr. Joseph McKay	Independent Director Non Executive	Nil	No	Nil	Nil
Mr. Sanjay Jain	Independent Director Non Executive	5	No	Nil	2
Mr. Manoj Kumar More	Independent Director Non Executive	5	No	1	2
Mr. Navin Chokshi	Independent Director Non Executive	5	No	2	Nil
Mr. Harmohindar Singh Dhingra	Independent Director Non Executive	5	No	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 attention on subjects relating to accounting standards, internal control 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 31<sup>st</sup> May, 2010, 30<sup>th</sup> July, 2010, 29<sup>th</sup> October, 2010 and 31<sup>st</sup> January, 2011. 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	4
2	Mr. Manoj Kumar More	Member	Independent non executive	4
3	Mr. Sanjay Jain	Member	Independent non executive	1

**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 Remuneration Committee has met once during the year on 30<sup>th</sup> July, 2010. The composition of the committee is as follows:

Sr.No.	Name of Members	Designation	Nature of Directorship
1.	Mr. Harmohinder Singh 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 was paid to the Non-Executive Directors for the year 2010-11.

Details of Remuneration paid to the Directors for the year ended 31<sup>st</sup> March, 2011 are as follows:

Directors	Relationship with the other Directors	Business Relation-ship	Sitting Fees	Salary/ Perquisites	Contribution to P.F.	Total
Mr. Yuvraj Malhotra	Brother of Mr. Navraj Malhotra	Promoter	Nil	23,76,000	Nil	23,76,000
Mr. Navraj Malhotra	Brother of Mr. Yuvraj Malhotra	Promoter's family	Nil	6,00,000	Nil	6,00,000
Mr. Joseph McKay	None	None	Nil	Nil	Nil	Nil
Mr. Navin Chokshi	None	None	8000	Nil	Nil	8000
Mr. Manoj Kumar More	None	None	10000	Nil	Nil	10000
Mr. Harmohindar Singh Dhingra	None	None	20000	Nil	Nil	20000
Mr. Sanjay Jain	None	None	Nil	Nil	Nil	Nil

**a) 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. Harmohindar Singh Dhingra	Member	Non-Executive, Independent

No meeting of the Committee were 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 2010-11 are as follows:

Sr.No.	Nature of Complaints	Whether Received SEBI	DIRECT	No. of Complaints Redressed	Pending Complaints
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:

<b>AGM</b>	<b>DATE</b>	<b>TIME</b>	<b>VENUE</b>	<b>SPECIAL RESOLUTIONS PASSED</b>
4 <sup>th</sup>	24.09.2009	5.00 PM	1 <sup>st</sup> floor, East Banquet Hall, Goregaon Sports Club, Link Road, Malad (W), Mumbai 400 064	Nil
5 <sup>th</sup>	30.09.2010	3.30 PM	701, Palm Spring, Link Road Malad West, Mumbai-400064	2

No item of Business, which required the member's approval through postal Ballot, was transacted during the year 2010-11. 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 of Schedule XVI 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 redressal 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, 2010, 30<sup>th</sup> September, 2010, 31<sup>st</sup> December, 2010 were published in the Free Press Journal ,Mumbai(English Daily) and Navshakti (Vernacular Daily). The audited results for 31<sup>st</sup> March, 2011 was 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)	Wednesday, 28 <sup>th</sup> September, 2011 at 4.00 pm 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	Thursday, 22 <sup>nd</sup> September, 2011 to Wednesday 28 <sup>th</sup> September, 2011 [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
Address Correspondence	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

**(b) Profile of Directors seeking appointment/ re-appointment at the Annual General Meeting are furnished below:**

<b>Name of the Director</b>	<b>Mr Joseph Mc Kay</b>	<b>Mr Harmohinder Singh Dhingra</b>
Date of Birth	March 8, 1940	June 13, 1938
Date of Appointment	May 30, 2006	March 29, 2006
Area of Expertise	Metallurgy	Banking
Qualification	ONC Metallurgy	B.Com, M.A. LL.B, CAIIB, ACCS (London)
List of Other companies Incorporated in India in which Directorships held as on 31 <sup>st</sup> March, 2011	Nil	Nil
List of Chairmanships/memberships of committees of the board of other public companies incorporated in India in which Directorships held as on 31 <sup>st</sup> March, 2011	Nil	Nil
No of Shares held in the company prior to the date of appointment	Nil	Nil

**(c) Market Price Data: High/Low during each month of 2010-11 on Stock Exchange, Mumbai:**

Market Price Data Month	Share prices of the Company for the Period April 2010 to March,2011			
	Bombay Stock Exchange		The National Stock Exchange of India	
	High(Rs)	Low(Rs)	High(Rs)	Low(Rs)
April, 2010	28.15	20.85	28.00	20.80
May, 2010	24.80	19.25	24.80	19.65
June, 2010	24.45	20.35	23.80	20.20
July, 2010	26.30	21.10	26.30	21.50
August, 2010	23.90	19.80	23.15	20.05
September, 2010	23.75	19.90	23.60	19.50
October, 2010	22.25	19.45	21.90	19.30
November, 2010	21.50	16.80	22.00	17.00
December, 2010	18.85	16.35	19.95	16.00
January, 2011	19.45	16.80	19.85	17.05
February, 2011	21.15	15.70	21.20	16.85
March, 2011	19.00	16.85	21.50	16.00

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

Month	BSE SENSEX		SHARE PRICE OF THE COMPANY AT BSE	
	HIGH	LOW	HIGH	LOW
			Rs	Rs
April,2010	18047	17276	28.15	20.85
May, 2010	17536	15960	24.80	19.25
June,2010	17919	16318	24.45	20.35
July,2010	18237	17395	26.30	21.10
August,2010	18475	17819	23.90	19.80
September,2010	20267	18027	23.75	19.90
October,2010	20854	17968	22.25	19.45
November2010	21108	18954	21.50	16.80
December,2010	20552	19074	18.85	16.35
January, 2011	20664	18038	19.45	16.80
February, 2011	18690	17295	21.15	15.70
March, 2011	19575	17792	19.00	16.85

**(e) Categories of Shareholding as on 31<sup>st</sup> March, 2011:**

Categories	Number of Shares	Amount in Rs	%
Promoters, Directors, Relatives and Companies under the same Management	6468777	64687770	51.987
Mutual Funds	0	0	0
Banks	0	0	0
FII(s)	583000	5830000	4.685
Private Corporate Bodies	598546	5985460	4.810
Indian Public	4567981	45679810	36.71
NRI's	218795	2187950	1.758
Clearing Members	5917	59170	0.048
TOTAL	12443016	124430160	100.00

**(f) Distribution of Shareholding as on 31<sup>st</sup> March, 2011:**

No. of equity Shares held	Shareholders		Total Shares	
	Number	% of Total	Rupees	% of Total
1-100	3754	40.06	254855	2.05
101-200	1767	18.85	311078	2.50
201-500	2190	23.38	791614	6.36
501-1000	962	10.26	750983	6.04
1001-5000	604	6.44	1203193	9.67
5001-10000	52	0.55	361259	2.90
10001-100000	34	0.36	964923	7.75
100001 and above	9	0.10	7805111	62.73
Total	9372	100.00	12443016	100.00

**REPORT OF THE AUDITOR TO THE MEMBERS**

We have audited the attached Balance Sheet of **HILTON METAL FORGING LIMITED** as at 31<sup>st</sup> March 2011 and also the annexed Profit and Loss Account of the Company for the period ended on that date and the Cash Flow Statement for the period ended on that date. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement based on our audit.

1. We conducted our audit in accordance with the audit standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.
2. As required by Companies (Auditors' Report) Order 2003 as amended by the Companies (Auditors' Report) – amendment 2004 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in Paragraph 4 and 5 of the said Order.
3. Further to our comments referred to in paragraph 1 above, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion Books of Accounts as required by law have been kept by the Company so far as appears from our examination of the books of the Company.
  - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts of the Company and also comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act 1956.
  - d) On the basis of the representation made by the Directors and taken on the record by the Board of Directors of the Company and the information and explanation given to us, none of the Directors is, as at 31<sup>st</sup> March 2011, prima-facie disqualified from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanation given to us, the accounts read together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and present true and fair view:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011;
- (b) in the case of Profit & Loss Account, of the Profit for the period concluded on that date and
- (c) In the case of Cash Flow Statement, of the cash flows for the period ended on that date.

**For R K Chaudhary & Associates**  
CHARTERED ACCOUNTANTS

Sd/-  
R K Chaudhary  
Proprietor.

Mumbai  
Date: 31<sup>st</sup> May 2011

**ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2011 OF HILTON METAL FORGING LIMITED**

On the basis of such checks as we consider appropriate and in terms of information and explanation given to us, we state that:

1.
  - a. The company has generally maintained proper records showing particulars including quantitative details and situation of fixed assets. However these records are to be updated.
  - b. As explained to us, fixed assets according to the practice of the company are physically verified by the Management except Office equipments and Furniture and Fixtures at reasonable intervals as per the phased verification program, which in our opinion, is reasonable, looking the size of the company and the nature of its business. According to the information and explanation given to us, no material discrepancies were noticed on such verification as compared to available records.
  - c. The fixed assets disposed off during the period, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
2.
  - a. As explained to us, inventories have been physically verified during the period by the management, the stocks of finished goods, stores, spare parts and raw material have been physically verified at reasonable intervals by the Management except in cases of stock in transit and stock lying with some outside parties which have, however been confirmed by them
  - b. The procedure explained to us, which are followed by the Management for physical verification of inventories are in our opinion reasonable and adequate in relation to the size of the Company and the nature of its business:
  - c. On the basis of our examination of the inventory records of the company, we are of the opinion that, the company is maintaining proper records of its inventory, have been properly dealt with in the books of accounts.
3. According to the information and explanation given to us, on respect of loans, secured or unsecured granted to or taken from the company to/from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956.
  - a. The company has granted unsecured loans in form of advances to the company/ies, firm/s or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. The terms and condition relating to repayment or interest is prima-facie not prejudicial to the interest of the company. The company has given advances to employees without any time stipulation.
  - b. The company has not taken / availed any loan secured or unsecured from the companies, or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods. Further on the basis of our examination of the books and accounts of the Company and according to the information and explanations given to us, we have neither come across nor have been inform of any continuing failure to correct major weakness in the aforesaid internal control procedures.
5. On the basis of audit procedures performed by us, and according to the information, explanations and representations given to us, we are of the opinion that, the transactions in which directors were interested, and which were required to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
6. In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public to which the provisions of section 58A and 58AA of the Companies Act 1956 and the Rules framed there under are applicable.
7. In our opinion, the internal audit functions carried out during the period by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.

8. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the Company's products and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained to the extent applicable.
9. In our opinion the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Sales Tax, customs Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities and therefore no undisputed amounts payable in respect of these dues which remained outstanding as at 31<sup>st</sup> March 2011 for a period of more than six months from the date they become payable.
10. The Company has neither accumulated losses nor incurred cash losses, during the financial year ended on that date.
11. On the basis of the records examined by us and according to the information and explanation given to us the Company has not defaulted in repayment of dues to financial institutions and banks.
12. As explained to, the Company has not taken any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.
13. The company is not a chit-fund or nidhi mutual benefit fund/society. Hence the provision of the clause 4(XIII) of the Companies (Auditors Report) Order 2003 is not applicable.
14. On the basis of our examination of the documents and records of the Company, the Company is not dealing in or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us and representation made by the Management, the Company has not given any guarantee for loans taken by others from any bank or financial institutions.
16. On the basis of the records examined by us and according to the information and explanation given to us, term loan have been applied for the purpose for they have been raised.
17. According to the information and explanations given to us and on an overall examination of financial statements of the Company and after placing reliance on the reasonable assumption made by the Company for clarification of long term and short term usage of funds, we are of the opinion and report that the funds raised on short term basis have not been used for long term investment and vice versa.
18. The Company has not made any preferential allotment of shares
19. On the basis of records and documents examined by us, the Company has not issued any secured debentures during the period.
20. During the period covered by our audit report, the Company has not raised any money by public issue.
21. According to information and explanations given to us and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the Company during the period.

For and on behalf of  
**R K Chaudhary & Associates**  
CHARTERED ACCOUNTANTS

Sd/-  
R K CHAUDHARY  
Proprietor.  
CA Regn No 35487

Mumbai:  
Date: 31<sup>st</sup> May 2011

**AUDITORS CERTIFICATE TO THE SHARE HOLDERS ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

We have examined the compliance of conditions of corporate governance by M/s. Hilton Metal Forging Limited, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

The certificate of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above-mentioned Listing Agreement.

We have to state that as per records maintained by the company, there were no investor grievances remaining unattended / pending for more than one month.

We further state such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of  
**R K Chaudhary & Associates**  
CHARTERED ACCOUNTANTS

Sd/-  
RK CHAUDHARY  
Proprietor.  
CA Regn No 35487

Mumbai:  
Date: 31<sup>st</sup> May 2011

**BALANCE SHEET AS AT 31ST MARCH 2011**

(Amount in Rs.)

	SCHEDULE NO.	AS AT 31.03.11	AS AT 31.03.10
<b>I. SOURCES OF FUNDS</b>			
Share Holders' Fund			
Share Capital	I	124,430,160	124,430,160
Reserves & Surplus	II	422,992,652	425,013,302
		547,422,812	549,443,462
<b>Loan Funds</b>			
Secured Loans	III	267,984,416	299,035,744
Deferred Tax Liability	Note No 16 Schedule XVI	48,272,086	40,164,300
<b>TOTAL</b>		863,679,314	888,643,506
<b>I. APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	V		
Gross Block		456,262,296	452,676,561
Less : Depreciations		62,827,759	43,083,458
Net Block		393,434,537	409,593,102
Capital Work In Progress		2,831,802	-
		396,266,339	409,593,102
<b>Investments</b>	VI	16,831,600	10,050,600
<b>Current Assets, Loans and Advances</b>	VII		
Inventories		429,977,082	360,017,776
Sundry Debtors		99,119,006	76,727,346
Cash and Bank Balances		10,099,511	9,947,013
Loans and Advances		60,643,182	80,308,611
		599,838,782	527,000,746
<b>Less: Current Liabilities</b>	VIII		
Current Liabilities		167,028,255	81,404,787
Provisions		10,930,339	10,080,875
		177,958,594	91,485,662
<b>NET CURRENT ASSETS</b>		421,880,187	435,515,084
<b>MISC EXPENDITURE TO THE EXTENT NOT WRITTEN OFF</b>	IX	28,701,188	33,484,720
<b>TOTAL</b>		863,679,314	888,643,506
<b>Notes to the schedule referred to above form integral part of Accounts</b>	XVI		

As per our report of even date  
**For R K Chaudhary & Associates**  
**CHARTERED ACCOUNTANTS**  
 Sd/-  
**R K Chaudhary**  
**Proprietor**  
**M No : 35487**

Place: Mumbai  
 Date :31<sup>st</sup> May 2011

For and on behalf of the Board of Directors

Sd/-  
**Yuvraj Malhotra**  
**Chairman & Managing**  
**Director**

Sd/-  
**Navraj Malhotra**  
**Whole Time**  
**Director**



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011**

(Amount in Rs.)

	<b>SCHEDULE NO.</b>	<b>Year Ended 31.03.11</b>	<b>Year Ended 31.03.10</b>
<b>I. INCOME:</b>			
Sales (net)	<b>X</b>	615,827,850	470,742,362
Other Income	<b>XI</b>	35,141,796	34,682,621
Increase/(Decrease) in stocks	<b>XII</b>	11,174,013	37,919,161
<b>Total</b>		<b>662,143,659</b>	<b>543,344,144</b>
<b>II. EXPENDITURE:</b>			
Raw Material Consumed	<b>XIII</b>	402,662,738	327,051,524
Trading Purchases		38,699,222	-
Manufacturing & Other Expenses	<b>XIV</b>	149,518,268	140,985,008
Interest & Finance Charges	<b>XV</b>	33,730,283	40,816,350
Depreciation	<b>V</b>	19,744,301	18,504,931
Preliminary Exp. Written off		4,783,532	4,783,532
<b>Total</b>		<b>649,138,345</b>	<b>532,141,345</b>
<b>PROFIT BEFORE TAX</b>		<b>13,005,314</b>	<b>11,202,799</b>
Less: Provision for Taxation			
Current Tax (MAT)		2,275,930	1,123,000
Deferred tax		9,107,786	11,967,947
<b>PROFIT AFTER TAX</b>		<b>1,621,598</b>	<b>(1,888,148)</b>
Balance Brought Forward		57,332,343	55,795,653
Add : Excess provision written back		(1,335)	10,564,420
Amount available for Appropriation		58,952,606	64,471,925
<b>APPROPRIATION</b>			
Transferred to General Reserve		3,500,000	3,500,000
Proposed Dividend		3,111,892	3,110,754
Corporate Dividend Tax		529,022	528,828
<b>Balance Carried to Balance Sheet</b>		<b>51,811,692</b>	<b>57,332,343</b>
<b>Earning Per Share (Rs.)</b>		<b>0.13</b>	<b>(0.15)</b>
<b>No of Shares</b>		<b>12,443,016</b>	<b>12,443,016</b>
<b>Notes to the schedule referred to above form integral part of Accounts</b>	<b>XVI</b>		

As per our report of even date  
For **R K Chaudhary & Associates**  
**CHARTERED ACCOUNTANTS**  
Sd/-  
**R K Chaudhary**  
Proprietor  
M No : 35487

Place: Mumbai  
Date :31<sup>st</sup> May 2011

For and on behalf of the Board of Directors

Sd/-  
**Yuvraj Malhotra**  
Chairman & Managing  
Director

Sd/-  
**Navraj Malhotra**  
Whole Time  
Director

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011**

(Amount in Rs.)

	<b>AS AT 31.03.11</b>	<b>AS AT 31.03.10</b>
<b>I SHARE CAPITAL</b>		
<b>Authorised</b>		
150,00,000 Equity Shares of Rs 10/- each	150,000,000	150,000,000
<b>Issued, Subscribed &amp; Paid Up</b>		
12443016 Equity Shares ( Previous year 12443016 Equity Shares) of Rs 10/- each fully paid	124,430,160	124,430,160
	<b>124,430,160</b>	<b>124,430,160</b>
<b>II RESERVES AND SURPLUS</b>		
Share Premium Account	336,180,960	336,180,960
General Reserves		
As per Last Balance Sheet	31,500,000	28,000,000
Add : Trfd from Profit & Loss Account	3,500,000	3,500,000
Closing Balance	35,000,000	31,500,000
Profit and Loss Account	51,811,692	57,332,343
	<b>422,992,652</b>	<b>425,013,303</b>
<b>III SECURED LOANS</b>		
<b>Term Loan</b>		
Medium Term Loan (against hypothecation of Plant & Machinery and immoveable property of the Company at Wada, amount due within 1 year Rs.200.00 Lacs)	30,000,000	47,433,835
<b>Working Capital Limits</b>		
Packing Credit Advance form Banks (Secured By hypothecation of Entire Stocks) both present and future.	179,511,707	218,974,383
Export Bill Negotiation from Banks Secured by Books Debts, Bills receivable etc both present and future.	20,345,862	32,627,526
Cash Credit advance from Banks (Secured by hypothecation of stocks and bills receivables.)	38,126,847	-
	<b>267,984,416</b>	<b>299,035,744</b>

# SCHEDULE : V FIXED ASSETS

(Amount in Rs.)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	04/01/2010	Additions 1st half	Additions 2nd half	31-3-2011	up to 1-4-2010	For the Year	as on 31-3-2011	as on 31-3-2010
<b>A. TANGIBLE ASSETS</b>								
Land (See Note No XVI-B/3)	13759150	0	0	13759150	0	0	13759150	13759150
Building and Shed	66950781	0	1478389	68429170	4832851	2236156	61360163	62117930
Staff Quarters	10645940	0	0	10645940	511321	355574	866895	10134619
Plant and Machinery	330950960		1972956	332923916	33899657	15720171	283304088	297051303
Office Equipments	1598082	0	0	1598082	189374	75909	265283	1408708
Designs & Drawings	51890	0	0	51890	1904	1020	2924	51006
Office Premises	8897607	0	0	8897607	0	0	8897607	8897607
Electrical Installation	8410986	0	0	8410986	1124876	399522	1524398	7286110
Computer System	1578220	55990	67400	1701610	616029	261672	877701	962191
Furniture & Fixtures	7584629	11000	0	7595629	1195965	480687	1676652	6388664
Vehicles	2248315	0	0	2248315	711480	213590	925070	1536835
<b>Total</b>	<b>452676561</b>	<b>66990</b>	<b>3518745</b>	<b>456262296</b>	<b>43083458</b>	<b>19744301</b>	<b>62827759</b>	<b>409594123</b>
WIP Machinery	0	0	2831802	2831802	0	0	2831802	0
WIP Building	0	0	0	0	0	0	0	0
WIP Furnitures (Office)	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>452676561</b>	<b>66990</b>	<b>6350547</b>	<b>459094098</b>	<b>43083458</b>	<b>19744301</b>	<b>396266339</b>	<b>409594123</b>

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011**

(Amount in Rs.)

	<b>AS AT 31.03.11</b>	<b>AS AT 31.03.10</b>
<b>VI INVESTMENTS</b>		
<b>QUOTED</b>		
Bharti Axa Equity Fund -	10,000,000	10,000,000
SBI PSU Fund	6,781,000	-
<b>UNQUOTED</b>		
5060 Equity Shares (Previous Year 5060)	50,600	50,600
Equity Shares of Rs10/- each of Saraswat Co Op Bank Ltd.		
	<b>16,831,600</b>	<b>10,050,600</b>
<b>VII CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>INVENTORIES</b>		
(as taken valued and certified by Management)		
Raw Material	158,876,115	115,191,272
Semi Finished Goods	109,394,745	109,411,923
Finished Goods	62,771,500	54,081,309
Stores & Spares and Consumables	6,542,000	6,129,000
Dies and Tools at Cost	86,672,722	71,572,272
Scrap	5,720,000	3,632,000
	<b>429,977,082</b>	<b>360,017,776</b>
<b>SUNDRY DEBTORS</b>		
(Unsecured considered good)		
Outstanding for more than six months	31,934,000	19,056,268
Others	67,185,006	57,671,078
	<b>99,119,006</b>	<b>76,727,346</b>
<b>CASH &amp; BANK BALANCE</b>		
Cash on Hand	460,872	1,084,047
Balance with Schedule Banks		
in Current Accounts	2,213,026	1,935,108
in Fixed Deposits	6,889,994	6,392,236
in Margin Money Accounts	535,620	535,620
	<b>10,099,512</b>	<b>9,947,013</b>
<b>LOANS AND ADVANCES</b>		
(Unsecured considered good)		
Advance Receivable in cash or kind or for Value to be received	15,238,162	14,533,172
Security Deposits	2,886,555	2,908,360
Advances on Capital Account	-	3,334,665
Advance for Expenses	287,806	2,937,920
Advance for Raw Material	-	15,237,046
Balance with Central Excise Authority	9,188,368	11,434,249
Custom duty Credit Receivable	1,374,849	1,533,646
Duty Drawback Receivables	5,071,743	6,794,941
Maha. Vat Refund Receivable	15,280,896	10,835,152
Advance Tax and Tax Deducted at Source	11,314,803	10,759,460
	<b>60,643,182</b>	<b>80,308,611</b>

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011**  
(Amount in Rs.)

	<b>AS AT 31.03.11</b>	<b>AS AT 31.03.10</b>
<b>VIII CURRENT LIABILITIES &amp; PROVISIONS:</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors		
For Raw Material	124,515,659	48,964,795
For Expenses	29,804,443	24,046,367
For Capital Assets	1,582,217	1,991,135
Others	11,125,936	6,402,490
	<b>167,028,255</b>	<b>81,404,787</b>
<b>PROVISIONS:</b>		
Proposed Dividend	3,111,892	3,110,754
Corporate Dividend Tax	529,022	528,828
Provisions for Income Tax	2,275,930	1,123,000
Other Statutory Dues	5,013,495	5,318,293
	<b>10,930,339</b>	<b>10,080,875</b>
<b>IX MISC EXPENDITURE TO THE EXTENT</b>		
<b>NOT WRITTEN OFF</b>		
Public Issue Expenses	33,484,720	38,268,252
Less: Written off during the year 1/10th	4,783,532	4,783,532
Carried Forward	<b>28,701,188</b>	<b>33,484,720</b>

**SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**  
(Amount in Rs.)

	<b>AS AT 31.03.11</b>	<b>AS AT 31.03.10</b>
<b>X SALES (NET OF RETURN &amp; CLAIMS)</b>		
Export Sales	329,079,663	322,546,685
Domestic Sales	246,990,440	148,195,677
Domestic Sales Trading	39,757,747	-
	<b>615,827,850</b>	<b>470,742,362</b>
<b>XI OTHER INCOME</b>		
Labour Charges Received	9,418,885	4,105,917
Sales of DEPB	21,581,770	22,120,175
Target Plus Benefit / EPCG License	-	-
Interest Received	942,828	2,624,608
Misc Income	1,604,538	16,795
Dividend Received	468,775	3,940,126
Rent Receipt	1,125,000	1,875,000
	<b>35,141,796</b>	<b>34,682,621</b>
<b>XII INCREASE/(DECREASE) IN STOCKS</b>		
Less: Closing Stock		
Semi finished Goods	109,394,745	109,411,923
Finished Goods	62,771,500	54,081,309
scrap	5,720,000	3,632,000
Stores& Fuel	6,542,000	6,129,000
	184,428,245	173,254,232
<b>Less: Opening Stock</b>		
Semi finished Goods	109,411,923	75,030,643
Finished Goods	54,081,309	50,020,428
Scrap	3,632,000	3,452,000
Stores& Fuel	6,129,000	6,832,000
	<b>173,254,232</b>	<b>135,335,071</b>
	<b>11,174,013</b>	<b>37,919,161</b>
<b>XIII RAW MATERIAL CONSUMED</b>		
Opening Stock	115,191,272	187,654,820
Add: Cost of Purchase	479,937,231	312,401,969
Trading Purchase	-	-
	595,128,503	500,056,789
Less: Sales	33,589,650	57,813,993
	561,538,853	442,242,796
Less: Closing stock	158,876,115	115,191,272
	<b>402,662,738</b>	<b>327,051,524</b>

**SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**  
 (Amount in Rs.)

	AS AT 31.03.11	AS AT 31.03.10
<b>XIV MANUFACTURING &amp; OTHER EXPENSES</b>		
<b>Employees Remuneration, Benefits and Other Payments</b>		
Salary, Wages & Bonus	7,821,749	7,459,051
Remuneration to Directors	1,773,200	2,976,000
Contribution to Provident Fund	505,065	456,774
Gratuity	53,485	
Welfare Expenses	2,513,957	1,511,346
<b>Manufacturing Expenses</b>		
Stores & Spares Consumed	15,885,957	16,673,963
Packing Material Consumed	3,781,209	4,723,834
Insurance Charges - plant	321,529	143,302
Power & Fuel	46,122,002	37,931,924
Transportation and Octroi	3,823,572	2,565,464
Heat Treatment & Shot Blasting Charges	293,840	238,490
Die Amortisation	4,531,481	1,605,114
Machining & Labour Charges	4,429,277	6,165,883
Repairs & Maintenance _ Machines	2,923,581	3,627,317
Testing Charges	596,593	640,710
Wages Contractor	21,621,341	20,635,186
Water Charges	499,800	650,400
<b>Administrative &amp; Selling Expenses</b>		
ECGC Premium Charges	402,776	859,464
Auditors Remuneration	386,050	386,860
Bank Charges	880,418	623,779
Exchange Difference	897,682	-
Rent, Rates & Taxes	964,637	816,930
General Expenses	6,291,315	9,605,988
Freight & Forwarding Charges	9,182,834	7,794,888
Postage Telephone etc	1,041,513	1,299,389
Traveling & Conveyance	5,497,734	6,767,685
Legal & Professional Charges	2,536,584	1,654,670
Advertisement & Sales Promotions	3,939,088	3,170,597
	149,518,268	140,985,008
<b>XV INTEREST &amp; FINANCE CHARGES</b>		
Interest on Term Loan	4,978,873	7,395,730
Interest of Packing Credit.	20,765,524	23,683,376
Discounting Interest	3,615,223	6,159,448
Interest (others)	4,370,664	3,577,796
	33,730,283	40,816,350

**SCHEDULE XVI: NOTES TO ACCOUNTS:**

**A. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY**

**1. Basis of presentation of Financial Statement**

The financial statements are prepared under historical cost conversion in accordance with applicable Accounting Standards and relevant presentation requirements of the Companies Act 1956. The Company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

**2 Fixed Assets:**

- (a) All Fixed Assets are stated at Cost of acquisition
- (b) The Company provides depreciation on all assets on the 'straight Line Method' in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956.

**3. Investments**

Long Term Investments are stated at cost of acquisition.

**4. Inventories**

Finished Goods, Work-in-progress semi finished goods and raw material are valued at cost or net realizable value which ever are lower. Materials in transit are valued at cost-to-date. Stores, spares, fuels components and loose tools are valued at cost or below cost. Cost comprises all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and conditions.

**5. Foreign Currency Fluctuation:**

Current assets and other liability in foreign currency out standing at the close of the period are expressed in Indian Currency at the rate of exchange prevailing on the date of balance sheet, except cases where the loans/liabilities are covered under forward exchange contracts. Net gain or loss due to increase/decrease in rupee liabilities are charged to revenue.

Foreign Currency Transactions in respect of Export Sales, Import of Material and other Revenue items are accounted at the exchange rate prevailing on the date of transaction took place. Out standing Export realization, payment obligation are accounted for at the prevailing conversion rate at the close of the year and the difference in actual realization of such document is accounted for in exchange fluctuation account to be credited/charged to the respective account in the year of realisation

**6. Recognition of Income and Expenditure:**

- a. Revenues/Incomes and cost/expenditure are generally accounted on accrual basis as they are earned or incurred.
- b. Export Sales are accounted on basis of dates of bill of Lading.
- c. Benefits on account of entitlement of import duty free material under Advance License and Duty Entitlement Pass Book Scheme is accounted in the year of export.

**7. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditure during the reporting period. Difference between actual results and estimates are recognized in the year in which the results are known /materialized.

**8. Research and Development Expenditure:**

Revenue expenditure, including Overheads on Research and Development is charged out as expenditure through the natural heads of expenses in the year in which incurred.



**9. Retirement and other Employee related Benefits:**

Retirement Benefits to the employees will be accounted in the year of actual payment.

**10. Accounting for taxes on income:**

Current tax is determined as an amount payable in respect of taxable income for the year. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets arising due to timing difference, being the difference between the taxable income and accounting income which originate in one year and are capable of reversal in one or more subsequent years.

**11. Earning Per Share**

In accordance with the Accounting Standard –20(AS-20) "Earning per Share" issued by The Institute of Chartered Accountants of India, Basic and diluted earning Per Share is computed using the weighted average number of Shares outstanding during the period.

**12. Treatment of MVAT**

The Scheme of deferment of Sales Tax/MAVT opted by the Company was discontinued on attainment of prescribed limit. The liability created till 31st March 2007 continued to remain and shown under deferred tax liability. The said liability is liable to pay after ten years and in five yearly installments.

**13. Impairment of Assets**

The carrying amount of assets is reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors i.e when the carrying amount of the assets exceeds the recoverable amount, an impairment loss is charged to the profit and Loss Account in the year in which assets is identified as impaired. An impairment loss recognized in prior accounting period is reversed or reduced if there has been a favorable change in the estimate of the recoverable amount.

**B Notes forming part of the Accounts**

**14. Notes to accounts**

Amount Rs in Lacs

	Description	31 <sup>st</sup> March 2011 Amount	31 <sup>st</sup> March 2010 Amount
1	Contingent Liability Not Provided For 1. Bank Guarantee Issued 2. Materials Cleared - UT – I and CT -1	213.76 141.95	124.82 0.00
2	Expenditure in Foreign Currency Travelling Commission Sales Promotion and Exhibition Others	8.15 0.58 10.84 5.17	7.70 40.15 1.73 9.47
3	CIF Value of ImportsMachinery Equipments	0.00	8.55
4	Earning in Foreign CurrencyFOB Value of Exports	3259.68	3222.58
5	Managerial Remuneration Under section 198 of the Company's Act 1956 1. Mr Yuvraj Malhotra CMD 2. Mr Navraj Malhotra (Director) 3. Director Sitting Fees	23.76 6.00 0.38	23.76 6.00 0.20
6	Payment to Auditors Audit Fees Tax Audit Fees Certification Work Other Matters	2.78 0.83 0.17 0.11	2.78 0.83 0.17 0.11
7	Export Intensives being the benefit on account of entitlement to import duty-free materials under Entitlement Pass-book Scheme	215.82	221.20
8	Closing Stocks includes Goods lying with third party	290.79	102.43

**15 Related Party Disclosures:**

As per accounting Standard 18 notified under the Company's (Accounting Standards) Rules 2006, the disclosures of the with related parties are given below:

**Amount Rs in lacs**

Transaction	Relationship	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2010
Salary Mrs Diksha Malhotra	Wife of CMD	6.00	6.00
Vehicle Rent Mrs Diksha Malhotra	Wife of CMD	0.00	2.40
Machining Charges M/s Delta Cut Tools	Partnership firm in which CMD and Mr Navraj Malhotra are partner	0.00	13.06

16 The company is covered under the provisions of Minimum Alternative Tax (MAT) and has provided income tax in the books as per section 115JB of the Income Tax Act, 1961.

17 The tax effect of significant timing differences during the year that have resulted in differed tax liability as given below

Sr No	Particulars	31 <sup>st</sup> march 2011	31 <sup>st</sup> march 2010
1	Timing Difference on account of difference between Book Depreciation and Depreciation Under I T Act 1961	91.08	119.68
	Balance Brought Forward	302.90	183.22
2	MVAT Deferred Tax Liability	88.75	98.75
	Total	482.72	401.64

18. The company has duly complied with the Accounting Standards referred in sub-section 3 ( c ) of section 211 of the Companies Act 1956.

**19. Fixed Assets:**

The plot No 21, 25, 26, 28, 29 and 30 situated at wada, are still standing in the name of one of the director Mr Yuvraj Malhotra for want of mutation process to be completed for revenue records. Necessary steps are being taken to get the same mutated in the name of the company.

**20. Current Assets:**

In the Opinion of the Board of Directors of the Company, all items of the current assets including Loans and Advances continue to have a realizable value of at least the amount at which they are stated on the Balance Sheet.

Addition information pursuant to the provisions of part II of Schedule VI to the Company's Act 1956.

**A. CAPACITY :**

Product	Unit	Licensed Capacity		Installed Capacity *	
		31-3-2011	31-3-2010	31-3-2011	31-3-2010
Forging and Allied Products		N. A.	N. A.	13800	13800

\* Installed capacity shown above is indicative and based on hammers capability only. The same may vary on product mix and usage of other ancillary machinery.

**B. PRODUCTION, SALES, PURCHASE CONSUMPTION AND INVENTORY.**

Amount Rs in Lacs

SR No.	Particulars	31-3-2011		31-3-2010	
		Quantity (MT)	Value Rs.	Quantity (MT)	Value Rs.
1	Production	2379	6022	2745	4288
2	Sales				
	Forging and steel products	2909	4517	2256	3903
	Traded Goods	43.530	398	0.00	0.00
	Scrap	1413	1137	1397	779
3	Purchase of Traded Goods	43.530	387	0.00	0.00
4	Raw Material & components Consumption				
	Raw Material	4531	4027	3070	3373
	Components		159		167
5	Opening Stock				
	WIP and Finished Goods	1142	1635	653	1250
	Scrap	43	36	40	35
6	Closing Stock				
	WIP and Finished Goods	864	1748	1142	1635
	Scrap	78	57	43	36

As per our report of even date  
**For R K Chaudhary & Associates**  
**CHARTERED ACCOUNTANTS**  
 Sd/-  
**R K Chaudhary**  
**Proprietor**  
**M No : 35487**

Place: Mumbai  
 Date :31<sup>st</sup> May 2011

For and on behalf of the Board of Directors

Sd/-  
**Yuvraj Malhotra**  
**Chairman & Managing**  
**Director**

Sd/-  
**Navraj Malhotra**  
**Whole Time**  
**Director**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**REGISTRATION DETAILS**

REGISTRATION NO : 11-154986  
STATE CODE : 011  
BALANCESHEET DATE : 31<sup>st</sup> MARCH 2011

**CAPITAL RAISED DURING THE PERIOD (AMOUNT IN RS. THOUSAND)**

PUBLIC ISSUE : NIL RIGHT ISSUE : NIL  
BONUS ISSUE : NIL PRIVATE PLACEMENTS : NIL

**POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS  
(AMOUNT IN RS. THOUSANDS)**

TOTAL LIABILITIES : 863710 TOTAL ASSETS : 863710

**SOURCES OF FUNDS**

PAID UP CAPITAL : 124430 RESERVES & SURPLUS : 423024  
SECURED / UNSEC. LOANS : 267984 DEFERRED TAX LIA. : 48272

**APPLICATION OF FUNDS**

NET FIXED ASSETS : 396266 INVESTMENTS : 16832  
NET CURRENT ASSETS : 421911 MISC EXPND : 28701

**PERFORMANCE OF THE COMPANY (AMOUNT IN RS. THOUSANDS)**

TURNOVER : 662150 TOTAL EXPENDITURE : 649106  
PROFIT BEFORE TAX : 13043 PROFIT AFTER TAX : 1653  
EARNING PER SHARE : 0.13 DIVIDEND : 2.50%

**GENERAL NAMES OF FOUR PRINCIPAL PRODUCTS OF COMPANY**

Sr No	Item Code No	Production Description	Quantity (MT)	Value (In Lacs)
1.	7307.10	SEAMLESS STUB ENDS	544	1632
2.	7307.21	S.S. FLANGES	437	1201
3.	7307.99	S.S. FORGINGS	408	694
4.	7307.91	C S FLANGES	1520	990

As per our report of even date  
**For R K Chaudhary & Associates**  
**CHARTERED ACCOUNTANTS**  
Sd/-  
**R K Chaudhary**  
**Proprietor**  
**M No : 35487**

Place: Mumbai  
Date : 31<sup>st</sup> May 2011

For and on behalf of the Board of Directors

Sd/-  
**Yuvraj Malhotra**  
**Chairman & Managing**  
**Director**

Sd/-  
**Navraj Malhotra**  
**Whole Time**  
**Director**

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st March 2011**

(Amount in Rs.)

Particulars	Year Ended 31.03.11	Year Ended 31.03.10
<b>I Cash Flow From Operating Activities</b>		
Net Profit Before Tax after Extraordinary Items	<b>13,005,314</b>	<b>11,202,799</b>
Adjustment for:		
Depreciation & Amortisation	24,527,833	23,288,463
Interest Expenses	33,730,283	40,816,350
<b>Operating Profit Before Working Capital Changes</b>	<b>71,263,431</b>	<b>75,307,612</b>
<b>Adjustment for Working Capital Changes</b>		
Trade & Other Receivables	(2,726,232)	59,619,477
Inventories	(69,959,306)	31,121,669
Trade & Other Payable	79,554,754	(80,744,354)
Cash Generated from operations	78,132,647	85,304,404
Less: Taxes Paid		
<b>Net Cash Flow from Operating Activities (A)</b>	<b>78,132,647</b>	<b>85,304,404</b>
<b>II Cash Flow from Investing Activities</b>		
Purchase of Fixed assets/ Capital Expenditure	(6,417,537)	(21,416,764)
Investment	(6,781,000)	(2,500,000)
Advances On Capital Account		
<b>Net Cash used in Investment Activities (B)</b>	<b>(13,198,537)</b>	<b>(23,916,764)</b>
<b>III Cash Flow from Financial Activities</b>		
Issue of Shares	-	-
Premium on Equity Shares	-	-
Increase in Banks Borrowings	(13,617,493)	(147,738,131)
Interest Expenses	(33,730,283)	(40,816,350)
Decrease in long term loan	(17,433,835)	(957,501)
<b>Net Cash flow from Financing Activities (C')</b>	<b>(64,781,612)</b>	<b>(189,511,982)</b>
Net Increase/ (Decrease) in cash & Cash Equivalents		
(A+B+C)	<b>152,498</b>	<b>(128,124,342)</b>
Cash & Cash Equivalent at the beginning of the period	9,947,013	138,071,355
<b>Cash &amp; Cash Equivalent at the close of the period</b>	<b>10,099,511</b>	<b>9,947,013</b>
Figures in brackets denotes cash out flow		
Cash & cash equivalent is Cash & Bank Balances as per Balance Sheet		

As per our report of even date  
For **R K Chaudhary & Associates**  
**CHARTERED ACCOUNTANTS**  
Sd/-  
**R K Chaudhary**  
**Proprietor**  
**M No : 35487**

Place: Mumbai  
Date : 31<sup>st</sup> May 2011

For and on behalf of the Board of Directors

Sd/-  
**Yuvraj Malhotra**  
**Chairman & Managing**  
**Director**

Sd/-  
**Navraj Malhotra**  
**Whole Time**  
**Director**

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## HILTON METAL FORGING LTD.

**REGD. OFFICE :** 701, Palm Spring, Palm Court Complex, Link Road, Malad (West) Mumbai – 400 064.

(Please complete this attendance slip and hand it over at the entrance of the meeting hall)

I hereby record my presence at the 6th ANNUAL GENERAL MEETING of the Company being held on Wednesday the 28 September, 2011 at 701, Palm Spring, Palm Court Complex, Link Road, Malad (West), Mumbai – 400 064 at 4.00 p.m.

NAME OF SHAREHOLDER \_\_\_\_\_

NAME OF PROXY \_\_\_\_\_

(To be filled in the case the proxy attendz instead of Shareholder)

SIGNATURE OF SHAREHOLDER / PROXY\*

Strike out which is not applicable

----- (Tear Here) -----

## HILTON METAL FORGING LTD.

**REGD. OFFICE :** 701, Palm Spring, Palm Court Complex, Link Road, Malad (West) Mumbai – 400 064.

Folio No. \_\_\_\_\_

I/We \_\_\_\_\_

Of \_\_\_\_\_ being

A member / members of Hilton Metal Forging Ltd. hereby appoint \_\_\_\_\_ of

\_\_\_\_\_ of

failing him/ her \_\_\_\_\_

of \_\_\_\_\_

As my/our proxy to vote for me/us on my/our behalf at the 6th ANNUAL GENERAL MEETING of the Company being held on Wednesday the 28 September, 2011 or at any adjourned meeting thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011 Signature of Member / Proxy

Affix Rupee  
One evenue  
stamp

Notes : The Proxy form must be returned so as to reach the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a shareholder of the company.

Book Post / UCP



*If undelivered, please return to :*

**Corporate Office :**

**HILTON METAL FORGING LTD.**

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

E-mail : [hiltonforge@vsnl.com](mailto:hiltonforge@vsnl.com) • Web : [www.hmfl.co.in](http://www.hmfl.co.in)