

HF **HILTON**
METAL FORGING LTD.



ANNUAL REPORT 2011 - 2012



FORGING AS YOU LIKE...

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 Key	Director
Shri Manoj Kumar More	Director
Shri Sanjay Jain	Director
Shri Navin Chokshi	Director

AUDITORS :

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

REGISTERED & CORPORATE OFFICE :

701, Palm Spring, Palmcote Complex,
Link Road, Malad (West),
Mumbai - 400 064.

BANKERS :

State Bank of Hyderabad
State Bank of Indore

REGISTRAR & SHARE TRANSFER AGENTS:

Sharex Dynamic (India) Pvt. Ltd.
Unit No.1, Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool,
Andheri (East), Mumbai - 400 072.

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HILTON METAL FORGING LIMITED

Regd. Office: 701, Palm Spring, Link Road, Malad (West) Mumbai-400064

NOTICE

Notice is hereby given that the Seventh Annual General Meeting of the Members of Hilton Metal Forging Limited will be held on Saturday, the 29th September, 2012 at 701 Palm Spring, Link Road, Malad (West), Mumbai-400064 at 11.30 a.m. to transact the following business:

AS ORDINARY BUSINESS:

- 1) To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 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 Navin Choksi who retires by rotation and being eligible offers himself for re-appointment
- 3) To appoint a director in place of Mr. Sanjay Jain 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: 18th May, 2012

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 29th September,2012
4. All documents referred in the Notice and Explanatory Statement are 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 22nd September, 2012 to 29th September, 2012 -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.

Registered Office:

For and on behalf of the Board of Directors

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

CHAIRMAN

Date: 18th May, 2012

Place: Mumbai

DIRECTORS' REPORT

To

The Members

Hilton Metal Forging Limited

1. Your Directors present the Seventh Annual Report and the Audited Statement of accounts of the Company for the year ended March 31st, 2012.

Financial Results

(Rs in Lacs)

Particulars	Year Ended March 2012	Year Ended March 2011
Sales	9319.46	6252.46
Other Income	248.70	257.23
Profit before Interest, Depreciation and Tax	849.85	664.80
Less : Finance Charges	365.24	337.31
Profit before Depreciation, exceptional Items, Waivers and Tax	484.61	327.49
Less: Depreciation	197.96	197.44
Profit before Tax	286.65	130.05
Less: Current Tax /Deferred Tax	122.65	113.83
Profit after Tax	164.00	16.22
Balance Brought forward from pre. year	518.12	573.32
Prior Period Expenses	0	
Excess provision written back / written off	0	-0.01
Balance Available for Appropriation	682.12	589.84
Appropriation		
Proposed Dividend for the Financial year at the rate of Rs.0.25 per share	31.12	31.12
Corporate Dividend Tax	5.29	5.29
Transferred to General Reserves	35.00	35.00
Balance Carried forward	610.71	518.12

2. Operations & Future Outlook

The Company achieved revenues of Rs 9568.16 lacs for the year ended on 31st March, 2012 as against net sales and other income of Rs 6509.69 lacs achieved in the previous year, recording an increase of 46.98 % in turnover. The year under review, ended with a gross profit of Rs. 849.85 lacs (previous year Rs 664.80 Lacs) and pre-tax profit of Rs 286.65 Lacs (Previous year Rs 130.05 Lacs).

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, 2012, resulting out flow will be Rs 36.41 lacs. Your Directors 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, 2012:

- 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. Navin Chokshi and Mr. Sanjay Jain 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.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with BSE & NSE, Management Discussion and Analysis, Corporate Governance Report, Auditors' Certificate regarding compliance of conditions of Corporate Governance and CEO Certificate on Code of Conduct is made as a part of the Annual Report.

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

Pursuant to Clause 49(IV) (B) & (F) of the Listing Agreement your directors wish to report as follows:

1. INDUSTRY STRUCTURE AND DEVELOPMENT:

The Indian forging industry is likely to witness a modest growth of 10-12 per cent during the current fiscal in-spite of rising interest rates and increase in input costs, according to a leading industry body, Association of Forging Industry. In the last fiscal, the forging industry had achieved a growth rate of over 27 per cent with a total production of 2.3 MT. The total production in 2009-10 was 1.8 MT. and expected to reach 4.00 Mt during by the year 2015.

Production of forgings for the non-automotive sector is on the rise leading to a more balanced customer portfolio. Identified drivers of growth in the non-auto sector are aerospace, energy, oil & gas and heavy engine parts.

India exported forgings worth about \$800 million in 2010-11. This was a result of several industry initiatives including capacity expansion, modernization, cost rationalization, coupled with a revival in demand from the automotive sector and particularly the passenger car segment

which recorded an excellent growth. The market potential continues to grow for the forging industry

2. FINANCIAL MANAGEMENT

The Company has a Financial Management Information System in place, which involves preparation of detailed Annual Business plan for the current year and a broad forecast of projection for successive years, which is reviewed every year. Capital expenditure commitments and borrowing plans are based on these forecasts.

The overall financial picture of 2011-2012 is satisfactory. With close monitoring of costs and expenses, this year ended with pre- tax profit of Rs 286.65 lacs (previous year Rs 130.05 lacs)

3. HUMAN RESOURCE MANAGEMENT

For this Financial Year, the Company continued its efforts in the Human Resources policies and processes to further its performance by way of appreciable changes. The Company had introduced and implemented the Performance-Linked Incentive Scheme which is paying rich dividends. The periodic review of HR policies commensurate with value-based human resource management tools have been introduced ensuring harmony, thereby optimizing human resource as a force multiplier. This has led to a positive and homogeneous work culture lending to greater productivity.

At Hilton, we believe training is mandatory at all levels of the Organisation. Be it fresh recruit or department head or manager or a Director; it is necessary and obligatory for everyone to train for good leadership, communication, decision making, creative thinking, setting goals and team work. Thus, the Company has undertaken training initiative for the Employees and Managerial Personnel to sharpen the raw pearls and hone their skills.

4. INTERNAL CONTROLS AND SYSTEM

Your Company has always believed in free flow of information in the organisation and has continued to keep focus on processes and controls. The company has in house qualified and experienced team. The company also has appointed Internal Auditors.

The Company has an appropriate internal control system for the business processes, with regard to the efficiency of operations, financial reporting, compliance with applicable laws and regulations.

Clearly defined roles and responsibilities for all the managerial persons have been established. The Company practices quality management system for design, planning and construction that complies with International quality standards. All operating parameters are periodically monitored and well controlled. Concurrent internal audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors reviews the effectiveness of internal controls and suggests improvements for strengthening it, whenever required.

5. RISKS AND CONCERNS

Your Company is continuously evolving and improving systems and measures to take care of all the risk exigencies involved in our business in addition to specific risk which are to do with the company's business model. These risks include:

- a) Market Risk
- b) Currency Risk
- c) Interest Rate Risk
- d) Insolvency Risk

6. CURRENT OUT LOOK

As the growth is visibly noticed and already having foot forward, Hilton Metal has decided to strengthen the following areas :

Focus for increase in productivity and technology up gradation and modernization of the units to comply with global quality standards.

Improve operational efficiencies.

Acquire latest technologies with added emphasis on IT, CAD/CAM, and other forms of computer-based technologies to produce quality forgings conforming to international standards with best yields.

In order to reduce consumption of costly oil and power, as also to make industry environment-friendly, the company has decided to opt for energy audit.

7. STATUTORY COMPLIANCE

The Company has complied with all the statutory requirements. A declaration regarding compliance of the provisions of the various statutes is also made by the Managing Director at each Board Meeting. The Company ensures compliance of the ROC, SEBI Regulations and provisions of the Listing Agreement.

8. CAUTIONARY STATEMENT

This management discussion and analysis contains forward looking statements that reflects our current views with respect to future events and financial performance. Our actual results may differ materially from those anticipated in the forward looking statements as a result of many factors.

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

Mumbai
Dated : 18/05/2012

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)

Power and Fuel Consumption	Current year ended 31-03-2012	Previous year ended 31-03-2011
1. Electricity		
Purchased Units (KWH)	3445952	2659222
Total Amount (in Rupees)	21207515	16306680
Rate/unit (Rs.)	6.15	6.13
2. Furnace Oil		
Quantity (KLS)	840	855
Total Amount (Rupees)	31561194	23267905
Average Rate Per KLS	37554.07	27213.92

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 policy for the innovation and adoption of new technology. The company is strengthening its capacity by adding state of art new machinery for fully machined products. The company has number of VMC/HMC machines and is likely to add further in current financial year.

EXPORT INITIATIVES:

The half of the turnover of the company is achieved through Exports. The company is taking initiative and putting major thrust on exports. The company has policy to take part in exhibitions on or for Forging Products and Steel products held world-wide. This has benefitted the company since it could include quite a few new customers in its client base. The company is in negotiation with one of the major player in USA market, for certain percentage of capacity utilisation, which definitely will boost the exports of the company.

FOREIGN EXCHANGE EARNING AND OUTGO:

Activities relating to Exports: Our Foreign Exchange Earning through exports was to the tune of Rs 4534.66 Lacs. The Company's outgo of foreign exchange activities amounted to Rs 53.11 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

Yuvraj Malhotra
Chairman and Managing Director

Mumbai: Dated: 18/05/2012

CORPORATE GOVERNANCE REPORT

1) COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE:

At HILTON METAL FORGING LIMITED, it has been a constant endeavor to follow the principles of transparency, accountability, ethical business conduct and integrity in functioning to achieve excellence in Corporate Governance, which leads to enhance the value of all stakeholders. The Company has formulated, to ensure the high ethical and moral standards, code of business ethics and code on prohibition of insider trading. The company conducts its activities in a manner that is fair and transparent and perceived to be such by others. 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 2011-12. 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 20th April, 2011, 31st May, 2011, 29th July, 2011, 21st October, 2011 and 10th February, 2012. 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.2011-12	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	1	No	Nil	Nil
Mr. Sanjay Jain	Independent Director Non Executive	2	No	Nil	2
Mr. Manoj Kumar More	Independent Director Non Executive	4	No	1	2
Mr. Navin Chokshi	Independent Director Non Executive	5	No	1	Nil
Mr. Harmohindar Singh Dhingra	Independent Director Non Executive	4	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 it's 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 it's attention on subjects relating to accounting standards, internal controls and financial policies.
- To oversee the Company's financial reporting process and disclosure of its financial information.
- To review the financial statement before submission to the Board of Directors.
- To hold discussion with Management regarding the internal control system.
- To hold prior discussion with external auditors regarding scope and nature of audit before commencement of the audit and also to have pos audit discussion on the areas of concern.

The Audit Committee met 4 times during the year on 31st May, 2011 , 29th July,2011 29th October, 2011 and 10th February, 2012. 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 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 paid / payable to the Non-Executive Directors for the year 2011-12.

Details of Remuneration paid to the Directors for the year ended 31st March, 2012 are as follows:

Directors	Relationship with the other Directors	Business Relationship	Sitting Fees	Salary/ Perquisites	Contribution to P.F.	Total
Mr. Yuvraj Malhotra	Brother of Mr. Navraj Malhotra	Promoter	Nil	59,76,000	Nil	59,76,000
Mr. Navraj Malhotra	Brother of Mr. Yuvraj Malhotra	Promoter's family	Nil	7,80,000	Nil	7,80,000
Mr. Joseph McKay	None	None	Nil	Nil	Nil	Nil

Mr. Navin Chokshi	None	None	10000	Nil	Nil	10000
Mr. Manoj Kumar More	None	None	8000	Nil	Nil	8000
Mr. Harmohindar Singh Dhingra	None	None	18000	Nil	Nil	18000
Mr. Sanjay Jain	None	None	Nil	Nil	Nil	Nil

c) Investors Grievance Committee:

The Company has constituted an Investor Grievance Committee. The terms of reference of the Committee is to redress Shareholders and Investors complaints, to review all matters connected with the share transfers and to review status of legal cases involving the investors where the Company has been made a party.

The Company's Registrar & Share Transfer Agents, M/s Sharex Dynamic (India) Private Limited are fully equipped to carry out the transfers of shares and redress Investor complaints.

The composition of the Investor's Grievance Committee is as follows.

Sr. No.	Names of Members	Designation	Category
1.	Mr. Manoj Kumar More	Chairman	Non-Executive, Independent
2.	Mr. Yuvraj Malhotra	Member	Executive, Non-Independent
3.	Mr. Harmohindar Singh Dhingra	Member	Non-Executive, Independent

No meeting of the Committee held during the year.

Details in respect of Compliance Officer:

Sr.No.	Name	Designation of Compliance officer
1	Mr. Suryakant Mayani	CFO

Details of Investors Complaints received during 2011-12 are as follows:

Sr.No.	Nature of Complaints	Whether Received		No. of Complaints Redressed	Pending Complaints
		SEBI	DIRECT		
1.	Non-Receipt of Refund	-			Nil
2.	Non- Receipt of Dividend	-			Nil
3.	Non- Receipt of Annual Report	-			Nil

4. GENERAL BODY MEETINGS:

The Location and time of the Annual General Meetings held during last 2 years are as follows:

AGM	DATE	TIME	VENUE	SPECIAL RESOLUTIONS PASSED
5 th	30.09.2010	3.30 PM	701, Palm Spring, Link Road Malad West,Mumbai-400064	2
6 th	28.09.2011	4.00 PM	701, Palm Spring, Link Road Malad West,Mumbai-400064	NIL

No item of Business, which required the member's approval through postal Ballot, was transacted during the year 2011-12. Accordingly the Companies (Postal Ballot) rules 2001 are not applicable during the said year.

5) DISCLOSURES:

- There was no transaction of material nature with the Promoters, Directors, Management or their relatives during the financial year of the Company, which could have potential conflict with the interests of the Company at large. However, the transactions detailed in Note no. of Schedule annexed to the Accounts may be considered as related party transactions.

- The Company does not have a Whistle Blower Policy. All the same, no personnel of the Company has 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 30th June, 2011, 30th September, 2011, 31st December, 2011 were published in the Free Press Journal ,Mumbai(English Daily) and Navshakti (Vernacular Daily). The audited results for 31st March, 2012 were published in the Free Press Journal, Mumbai (English Daily) and Navshakti (Vernacular Daily).

- Management Discussion and Analysis forms part of the Director's Report.

7) (a) **General Shareholder Information:**

Annual General Meeting (Date, Time and Venue)	Saturday, 29 th September, 2012 at 11.30 am 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	Saturday, 22 nd September, 2012 to Saturday, 29 th September, 2012 [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:

Name of the Director	Mt Navin Choksi	Mr Sanjay Jain
Date of Birth	May, 26 1953	November , 25 1965
Date of Appointment	March, 29 th 2006	March, 29 2006
Area of Expertise	Finance & Accounts	Metallurgy
Qualification	B Com , A C A	B.E Metallurgy
List of Other companies Incorporated in India in which Directorships held as on 31 st March,2012	Gloria Polyfilms Ltd	Nil
List of Chairmanships/memberships of committees of the board of other public companies incorporated in India in which Directorships held as on 31 st March,2013	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 2011-12 on Stock Exchange, Mumbai:**

Market Price Data Month	Share prices of the Company for the Period April 2011 to March, 2012			
	Bombay Stock Exchange		The National Stock Exchange of India	
	High(Rs)	Low(Rs)	High(Rs)	Low(Rs)
April,2011	19.45	17.25	20.70	16.75
May ,2011	18.85	15.60	18.25	15.55
June,2011	18.00	15.60	18.80	15.00
July,2011	17.55	16.50	18.25	16.15
August,2011	17.15	13.05	17.10	12.15
September,2011	15.75	13.05	16.35	13.10
October,2011	15.30	13.51	16.00	13.10
November2011	15.35	12.05	15.35	12.10
December,2011	13.57	10.16	13.65	11.00
January, 2012	14.45	10.70	14.75	10.40
February, 2012	15.90	13.50	15.85	12.60
March, 2012	16.95	13.80	17.40	13.80

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

Month	BSE SENSEX		SHARE PRICE OF THE COMPANY AT BSE	
	HIGH	LOW	HIGH (Rs.)	LOW (Rs.)
April,2011	19811	18976	19.45	17.25
May ,2011	19254	17786	18.85	15.60
June,2011	18873	17314	18.00	15.60
July,2011	19132	18132	17.55	16.50
August,2011	18440	15766	17.15	13.05
September,2011	17212	15801	15.75	13.05
October,2011	17908	15745	15.30	13.51
November,2011	17702	15479	15.35	12.05
December,2011	17003	15136	13.57	10.16
January, 2012	17259	15358	14.45	10.70
February, 2012	18524	17062	15.90	13.50
March, 2012	18041	16921	16.95	13.80

(d) Categories of Shareholding as on 31st March, 2012:

Categories	Number of Shares	Amount in Rs	%
Promoters, Directors, Relatives and Companies under the same Mgmt.	6468777	64687770	51.987
Mutual Funds	0	0	0
Banks	0	0	0
FII(s)	583000	5830000	4.685
Private Corporate Bodies	468970	4689700	3.769
Indian Public	4671292	46712920	37.54
NRI's	234517	2345170	1.886
Clearing Members	16460	164600	0.133
TOTAL	12443016	124430160	100

(e) Distribution of Shareholding as on 31st March, 2012:

No. of equity Shares held	Shareholders		Total Shares	
	Number	% of Total	Shares	% of Total
1-100	3412	39.95	228845	1.84
101-200	1606	18.80	283119	2.28
201-500	1986	23.25	716848	5.76
501-1000	872	10.21	674559	5.42
1001-5000	575	6.73	1139411	9.16
5001-10000	49	0.57	344182	2.77
10001-100000	30	0.35	770811	6.19
100001 and above	11	0.13	8285241	66.59
Total	8541	100	12443016	100

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

R K CHAUDHARY
Proprietor.
C A Regn No 35487

Mumbai:
Date: 18th May 2012

REPORT OF THE AUDITOR TO THE MEMBERS

We have audited the attached Balance Sheet of **HILTON METAL FORGING LIMITED** as at 31st March 2012 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 31st March 2012, 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 31st March, 2012;
- (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

R K Chaudhary
Proprietor.

Mumbai
Date: 18th May 2012

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF
EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31ST MARCH 2012 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.
- 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, in 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 31st March 2012 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. 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.
17. The Company has not made any preferential allotment of shares

18. On the basis of records and documents examined by us, the Company has not issued any secured debentures during the period.
19. During the period covered by our audit report, the Company has not raised any money by public issue.
20. 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

R K CHAUDHARY
Proprietor.
C A Regn No 35487

Mumbai:
Date: 18th May 2012

Hilton Metal Forging Limited	
Notes forming part of the financial statements	
Note	Particulars
1	Corporate information
	The company established in 2005 is manufacturer of iron and steel forging and recognised export house presently catering to the needs of Oil and Gas, Refineries and pharmaceutical industries. The company has its plant at Village Ghonsai, Taluka Wada, Dist Thane and Corporate office at 701 Palm Spring, Link Road, Malad West, Mumbai 400064, Maharashtra.
2	Significant accounting policies (Illustrative)
2.1	Basis of accounting and preparation of financial statements
	The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
2.2	Use of estimates
	The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
2.3	Inventories
	Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.
2.4	Cash and cash equivalents (for purposes of Cash Flow Statement)
	Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Hilton Metal Forging Limited
Notes forming part of the financial statements

Note 2 Significant accounting policies (contd.)

Note	Particulars
2.5	<p>Cash flow statement</p> <p>Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the</p>
2.6	<p>Depreciation and amortisation</p> <p>Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under:</p> <p>Vehicles - 4 years Computers and data processing equipments - 4 years Assets costing less than ` 5,000 each are fully depreciated in the year of capitalisation</p> <p>Intangible assets are amortised over their estimated useful life as follows: Product marketing rights – 15 years (12 years remaining as at the Balance Sheet date)</p> <p>Other intangibles – 3 – 5 years (1-2 years remaining as at the Balance Sheet date)</p> <p>Amortisation of Product marketing rights over 15 years is based on the term of the marketing right acquired and the economic benefits that are expected to accrue to the Company over such period.</p> <p>The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.</p>
2.7	<p>Revenue recognition</p> <p><u>Sale of goods</u> Revenues / Income and Cost /Expenditure are genrally accounted on accrual basis as they are earned or incurred. Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.</p>
2.8	<p>Other income</p> <p>Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.</p>

Hilton Metal Forging Limited
Notes forming part of the financial statements

Note 2 Significant accounting policies (contd.)

Note	Particulars
2.9	<p>Tangible fixed assets</p> <p>Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.</p> <p>Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the</p> <p>The Company till date has not revalued its assets.</p> <p>Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.</p> <p><u>Capital work-in-progress:</u> Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.</p>
2.10	<p>Intangible assets</p> <p>Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.</p> <p>Refer Note 2.21 for accounting for Research and Development Expenses.</p>

Hilton Metal Forging Limited
Notes forming part of the financial statements
Note 2 Significant accounting policies (contd.)

Note	Particulars
2.11	<p>Foreign currency transactions and translations</p> <p><u>Initial recognition</u> Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.</p> <p><u>Measurement of foreign currency monetary items at the Balance Sheet date</u> Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates. In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.</p> <p><u>Treatment of exchange differences</u> Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment. The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon.</p> <p><u>Accounting of forward contracts</u> Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Refer Notes 2.26 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.</p>
2.12	<p>Government grants, subsidies and export incentives</p> <p>Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.</p>

Hilton Metal Forging Limited**Notes forming part of the financial statements****Note 2 Significant accounting policies (contd.)**

Note	Particulars
2.13	Investments Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.
2.14	Employee benefits Employee benefits include provident fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits. <u>Defined contribution plans</u> The Company's contribution to provident fund is considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made. <u>Defined benefit plans</u> Retirement Benefits to the employees will be accounted in the year of actual payment. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. these benefits includes performance incentives and companseted absences which are expected o occur within tweleve months after the end of the period in which the employee renders the related service. the cost of such companseted absences is accounted as under: <u>Short-term employee benefits</u> The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under : (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur. <u>Long-term employee benefits</u> Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

Hilton Metal Forging Limited

Notes forming part of the financial statements

Note 2 Significant accounting policies (contd.)

2.15 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.16 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

2.16 The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

The Company is mainly engaged in Manufacturing of Steel Forgings and Flanges and Forged Fittings for oil & gas industry, Petrochemicals and refineries, which in the context of Accounting standard (AS) 17 "Segment Reporting" is considered to be the only business segment

2.17 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

Hilton Metal Forging Limited
Notes forming part of the financial statements

Note 2 Significant accounting policies (contd.)

Note	Particulars
2.18	<p>Taxes on income</p> <p>Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.</p> <p>Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.</p> <p>Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.</p> <p>Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.</p>
2.19	<p>Research and development expenses</p> <p>Revenue Expenditure, including overheads on Research and Development is charged out as expendiutre through the natural heads of the expenses in the year in which incurred.</p>
2.20	<p>Joint venture operations</p> <p>The company doesn't have any joint venture.</p>

Hilton Metal Forging Limited**Notes forming part of the financial statements****Note 2 Significant accounting policies (contd.)**

Note	Particulars
2.21	Impairment of assets The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.
2.22	Provisions and contingencies A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.
2.23	Derivative contracts The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement". These forward contracts are stated at fair value at each reporting date. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.
2.24	Share issues expenses Share issue expenses and pe-operative exepnses are written off and charged to profit and loss account The balance to the extent not written off is carried as an asset and is amortised over a period of 10 years
2.25	Insurance claims Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.
2.26	Service tax input credit Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

HILTON METAL FORGING LIMITED.
BALANCE SHEET AS AT 31ST MARCH 2012

		(Amount Rs. In lacs)		
Particulars	Note No.	Figures As At the end of current reporting Period 31-3-2012	Figures As At the end of Previous reporting Period 31-3-2011	
I. EQUITY AND LIABILITY				
(1) Share Holders' Fund				
(a) Share Capital	3	1,244.30	1,244.30	
(b) Reserves & Surplus	4	4,357.52	4,229.94	
(2) Share Application money pending Allotment				
(3) Non-current Liabilities				
(a) Long-term borrowings	5	88.75	388.75	
(b) Other Long Term Borrowing	6	-	-	
(b) Long Term Provisions	7	-	-	
(c) Deferred tax liabilities (net)		466.46	393.97	
(4) Current Liabilities				
(a) Short-term borrowings	8	2,353.48	2,379.84	
(b) Trade Payables	9	2,113.41	1,654.46	
(c) Other Current Liabilities	10	35.21	65.95	
(d) Short-term Provisions	11	86.58	59.16	
TOTAL		10,745.71	10,416.37	
II. ASSETS				
(1) Non Current Assets				
(a) Fixed Assets	12			
(1) Tangible Assets		3,827.85	3,962.66	
(2) Intangible Assets		-	-	
(3) Capital Work In Progress		-	-	
(b) Non-Current Investment		262.50	267.84	
(d) Long-Term Loan and Advances	14	-	-	
(e) Other non-current assets	15	239.18	287.01	
(2) Current Assets				
(a) Current Investments	16	68.32	68.32	
(b) Inventories	17	4,342.27	4,299.77	
(c) Trade Receivables	18	1,349.93	991.19	
(d) Cash and Cash Equivalents	19	92.85	101.00	
(e) Short term loans and Advances	20	562.82	438.58	
(f) Other current assets				
TOTAL		10,745.71	10,416.37	
see accompanying notes to the financial statements	28			
As per our report of even date		For and on behalf of the Board of Directors		
For R K Chaudhary & Associates				
CHARTERED ACCOUNTANTS				
		Yuvraj Malhotra	Navraj Malhotra	
R K Chaudhary		Chairman & Managing	Whole Time	
Proprietor		Director	Director	
M No : 35487 FRN NO 133512W				
Place: Mumbai				
Date:				

HILTON METAL FORGING LIMITED
PROFIT AND LOSS STATEMENT FOR THE YEAR
ENDED ON 31ST MARCH, 2012

		(Amount Rs. In lacs)	
Particulars	Note No.	For the year ended 31 March, 2012	For the year ended 31 March, 2011
I. Revenue from operations	22	9,562.32	6,468.28
II. Other Income	23	5.83	41.41
III. Total Revenue (I + II)		9,568.16	6,509.69
IV Expenses			
Cost of Material Consumed	24a	5,721.57	4,026.63
Purchase of Stock-in trade	24b	1,030.77	386.99
Change in inventories of finished goods, work-in progress	24c	(30.95)	(111.74)
Employees Benefit Expenses	25	456.95	342.88
Finance Costs	26	365.24	337.31
Depreciation and Amortisation Expenses		197.96	197.44
Other Expenses	27	1,539.98	1,200.13
Total Expenses		9,281.51	6,379.64
V Profit before exceptional and extraordinary items and tax (III - IV)		286.65	130.05
VI Exceptional Items		-	-
VII Profit before extraordinary items and tax (V-VI)		286.65	130.05
VIII Extraordinary Items		-	-
IX Profit Before Tax (VII-VIII)		286.65	130.05
X Tax Expenses			
(1) Current Tax		50.16	22.76
(2) Deferred Tax		72.49	91.07
XI Profit (Loss) for the period from continuing operations (VII-VIII)		164.00	16.22
XII Profit/(Loss) from Discontinuing Operations		-	-
XIII Tax Expenses from Discontinuing Operations		-	-
XIV Profit/(Loss) from Discontinuing expenses (after tax (XII-XIII))		-	-
XV Profit/(Loss) for the period (XI+XIV)		164.00	16.22
XVI Earning per equity share:			
(1) Basic		1.32	0.13
(2) Diluted		1.32	0.13
See accompanying notes to the financial statements	28		
As per our report of even date	For and on behalf of the Board of Directors		
For R K Chaudhary & Associates			
CHARTERED ACCOUNTANTS			
	Yuvraj Malhotra	Navraj Malhotra	
R K Chaudhary	Chairman & Managing	Whole Time	
Proprietor	Director	Director	
M No : 35487 FRN No 133512W			
Place: Mumbai			
Date: 18/05/2012			

HILTON METAL FORGING LIMITED					
NOTES FORMING PART OF FINANCIAL STATEMENT					
		As at 31-3-20X2		As at 31-3-20X1	
		Number of Shares	Amount (Rs.)	Number of Shares	Amount (Rs.)
NOTE 3 : SHARE CAPITAL					
AUTHORISED					
Equity shares of Rs 10 eqch with voting rights		15000000	1,500.00	15000000	1,500.00
ISSUED					
Equity shares of Rs 10 eqch with voting rights		12443016	1,244.30	12443016	1,244.30
SUBSCRIBED AND FULLY PAID UP					
Equity shares of Rs 10 eqch with voting rights		12443016	1,244.30	12443016	1,244.30
			1,244.30		1,244.30
Presently the company has issued only equity shares with voting rights which are fully sub-scribed					
Reconciliation of the number of shares and amount outstanding at the beginging and at the end of the reporting period.					
Year Ended March 20X2		12443016	1244.30	12443016	1244.30
during the period under reporting no fresh issues on account of fresh issues, bonus, ESOP, conversion of buyback has taken place.					
Details of rights, preseference and restricting to each class of shares					
there is no holding or subsidiary company and voting rights are not restricted .					
Details of Share held by each Share Holder holding more than 5% shares					
		As at 31-3-20X2		As at 31-3-20X1	
		Number of Shares	% holding in that class of shares	Number of Shares	% holding in that class of shares
Equity Share with Voting Rights					
Yuvraj Hiralal Malhotra		5498512	44.19	5493100	44.15
Diskha Malhotra		672812	5.41	666665	5.36
Details of shares reserved for issue under options that arise under promoter or collaboration agreement, loan agreement, contract for supply of capital goods etc, if any.					
None					

HILTON METAL FORGING LIMITED			
NOTES FORMING PART OF FINANCIAL STATEMENT			
Details including terms of any securities convertible in to equity/ preference shares etc			
None			
Details pertaining to aggregate number and class of shares allotted for consideration other than cash			
None			
Details of unpaid calls			
None			
Details of forfeited shares			
None			
		As at	As at
NOTE 4 : RESERVES AND SURPLUS		31-3-20X2	31-3-20X1
(a)	Capital Reserves	0	0
(b)	Capital Redemption Reserves	0	0
(c)	Securities Permium Account		
	Opening Balance	3361.81	3361.81
	Add Premium on Shares issued during the year	0	0
	Less Utilised during the year	0	0
	Closing Balance	<u>3361.81</u>	<u>3361.81</u>
(d)	General Reserves		
	Opening Balance	350.00	315.00
	Add : Transferred from surplus statemetn of Profit and Loss	35.00	35.00
	Less Utilised/Transferred	0.00	0.00
	Closing Balance	<u>385.00</u>	<u>350.00</u>
(e)	Foreign Currency transaction Rreserve	0.00	0.00
(f)	Surplus /(deficit) in statemetn of Profit and Loss		
	Openming Balance	518.13	573.32
	Add Profit/(Loss) for the year	164.00	16.22
	Amount transferred from		
	General Reserves		
	Others Reserves		
	Less : Interim Dividend		
	Dividend Proposed to be distributed		
	to equity Share honlders (Rs0.25 per share)	31.12	31.12
	Tax on Dividend Distribution	5.30	5.29
	Transferred to General Reserve	35.00	35.00
	Closing Balance	<u>610.71</u>	<u>518.13</u>
	Total	<u>4357.52</u>	<u>4229.94</u>

HILTON METAL FORGING LIMITED				
NOTES FORMING PART OF FINANCIAL STATEMENT				
			As at	As at
	NOTE 5 : LONG TERM BORROWINGS		31-3-20X2	31-3-20X1
(a)	Medium Term Loan			
	From Banks - secured		0.00	300.00
(b)	Deferred Payment Liabilities			
	Sales Tax - MVAT Liability		88.75	88.75
			88.75	388.75
Details of terms of repayment for the long term borrowings and security provided in respect of.				
			As at 31-3-20X2	As at 31-3-20X1
			Secured	un-secured
			Secured	un-secured
(a)	Medium Term Loan		0.00	300.00
	State Bank of Hyderabad			
	Repayable in 20 quarterly instalment			
	of Rs 50 lacs each. Last Instalment scheduled			
	due in June 2012 paid in March 2012.			
	1st charge on fixed assets of the company and			
	personal guarantee of Managing Director.			
(b)	Sales Tax - MVAT Liability - deferred		88.75	88.75
	Repayable in 5 yearly instalments from 11th			
	year of 1st deferral. 1st such instalment			
	schedule for due in 2013-14			
			88.75	388.75
Details of Default in repayment of loans and interest in respect of :				
			As at 31-3-20X2	As at 31-3-20X1
(a)	Medium Term Loan			
	Principal	10 -15 days	50.00	15-20 days
	Interest	0	-	-

HILTON METAL FORGING LIMITED				
NOTES FORMING PART OF FINANCIAL STATEMENT				
		As at 31-3-20X2		As at 31-3-20X1
	NOTE 6 : OTHER LONG TERM LIABILITIES			
(a)	Trade Payable	-		-
(b)	Others	-		-
	NOTE 7 : LONG TERM PROVISIONS			
(a)	Provision for Employees Benefits	-		-
	(i) Provision for Companseted Absences			
	(ii) Provision for Grauity			
	(iii) Provision for Post Emplyment Medical benefits			
(b)	Provision for others	-		-
	NOTE 8 : SHORT TERM BORROWINGS			
(a)	Loans payable on Demands(Refer Point 1)			
	From Banks			
	- Secured			
(i)	Packing Credit Advance	1,785.07		1,795.11
(ii)	Bills Negotiation	112.92		203.46
(iii)	Cash Credit	455.49		381.27
		2,353.48		2,379.84
(b)	Loans and Advances from related Party	-		-
(1)	Details of security for secured short term Finance			
	Loans repayable on demand from			
	State Bank fo Hyderabad - Overseas Br Colaba			
(i)	Packing Credit Advance	1,063.61		897.26
(ii)	Bills Negotiation	25.77		180.50
(iii)	Cash Credit	270.42		228.47
	State bank of India _ Empire House Fort Br			
(i)	Packing Credit Advance	721.46		667.95
(ii)	Bills Negotiation	87.14		-
(iii)	Cash Credit	185.07		152.80
	Axis Bank Limited - Fort			
(i)	Packing Credit Advance	-		229.91
(ii)	Bills Negotiation	-		22.96
	(Secured By hypothecation of Stocks and book debts, both present and future. 2nd pari passu charge on fixed assets and guarnteeded by Managing Director			
		2,353.48		2,379.85

	Details of short-term borrowings guaranteed by some of the Directors or others:		
	Loans repayable on demand from		
	State Bank fo Hyderabad - Overseas Br Colaba		
(i)	Packing Credit Advance	1,063.61	897.26
(ii)	Bills Negotiation	25.77	180.50
(iii)	Cash Credit	270.42	228.47
	State bank of India _ Empire House Fort Br		
(i)	Packing Credit Advance	721.46	667.95
(ii)	Bills Negotiation	87.14	-
(iii)	Cash Credit	185.07	152.80
	Axis Bank Limited - Fort		
(i)	Packing Credit Advance	-	229.91
(ii)	Bills Negotiation	-	22.96
	Guartanteed by Managing Director		
		2,353.48	2,379.85
	Details of the default in repayment of loan and interest in respect of the following		
	None		
	Note 9 : Trade Payable		
(a)	Trade payable		
(1)	Raw Material	1,487.65	1,245.16
(2)	For Expenses	338.33	298.04
(3)	Others	287.44	111.26
		2,113.41	1,654.46
	NOTE 10 : Other Current Liabilites		
(b)	Other Current Liabilities		
(1)	Income Received in advance	18.69	-
(2)	Trade Payable for Capital Assets	8.62	15.82
(3)	Statutory Dues	7.90	50.13
		35.21	65.95
(c)	Details of the terms and conditions, number fo shares proposed to be issued, the amount of premium, if any, the period before which the shares are to be allotted.		
	None.		
	NOTE 11 : Short Term Provisions	As at 31-3-20X2	As at 31-3-20X1
(a)	Provisions for Employees benefits	-	-
(b)	Provisions for Others		
	Provisions for Tax (MAT)	50.16	22.75
	Provisions for proposed Dividend	31.12	31.12
	Provisions for Tax on Proposed Dividend	5.30	5.29
		86.58	59.16

HILTON METAL FORGINGS LIMITED									
Note : 12	FIXED ASSETS								
	<----- GROSS BLOCK----->				<-----DEPRECIATION----->			< -NET BLOCK ->	
	Balance as at 1-4-2011	Additions	Disposals	Balance as at 31-3-2012	Balance as at 1-4-2011	Depreciation for the year	Balance as at 31-3-2012	Balance as at 31 03 2012	Balance as at 31 03 2011
A. TANGIBLE ASSETS									
Land									
Free Hold	13759150	0	0	13759150	0	0	0	13759150	13759150
Building and Shed Owned	79075110	0	0	79075110	7935902	2641108	10577010	68498100	71139208
Plant and Machinery Owned	341386792	8355546		349742338	51147150	16384486	67531636	282210702	290239642
Office Equipments Owned	1598082	0	0	1598082	265283	75909	341192	1256890	1332799
Office Premises Owned	8897607	0	0	8897607	0	0	0	8897607	8897607
Computer System Owned	1701610	790980		2492590	877701	0	877701	1614889	823909
Furniture & Fixtures Owned	7595629	0	0	7595629	1676652	480803	2157455	5438174	5918977
Vehicles Owned	2248315	0	0	2248315	925070	213590	1138660	1109655	1323245
Total	456262295	9146526	0	465408821	62827759	19795896	82623655	382785166	393434536
WIP Machinery	2831802	0	2831802	0	0	0	0		2831802
Total Assets	459094097	9146526	2831802	465408821	62827759	19795896	82623655	382785166	396266338
B. INTANGIBLE ASSETS	NIL			NIL	NIL	NIL	NIL	NIL	NIL

HILTON METAL FORGINGS LIMITED							
Note : 12	FIXED ASSETS						
					for the year ended 31 March 2012	for the year ended 31 March 2011	
C. Depreciation and amortisation relating to continuing operations							
Depreciation and amortisation for the year on tangible assets as per note 12 A					19795896	19744301	
Depreciation and amortisation for the year on in-tangible assets as per note 12 b					0	0	
Less : utilised from revaluation reserve					0	0	
Depreciation and amortisation relating to discontinued operations					0	0	
Depreciation and amortisation relating to continuing operations					19795896	19744301	
(i) Details of amount written off on reduction of capital or revaluation of assets or sums added to assets on revaluation during the preceding 5 years							
None							
(ii) Details of assets acquired under hire purchase agreements							
None							
(iii) Details of assets jointly owned by the company.							
None							

HILTON METAL FORGING LIMITED				
NOTES FORMING PART OF FINANCIAL STATEMENT				
		As at 31-3-20X2	As at 31-3-20X1	
	NOTE 14 : Long Term Loans and Advances			
(a)	Capital Advance Un secured considered good	2.00	0.83	
(B)	Security Deposit un secured considered good	28.87	28.87	
(c)	Loans and Advances to Related Party	-	-	
(d)	Loans and Advances to Employee un secured considered good	-	-	
(e)	Pre Paid Expenses un secured considered good	-	-	
(f)	Advance Income Tax	70.86	113.14	
(g)	MAT Credit Entitlement	35.77	-	
(h)	Balance with Government Authorities un secured considered good			
	(i) CENVAT credit receivables	-	-	
	(ii) VAT Credit Receivable	-	-	
	(iii) Duty Drawback receivable	-	-	
(i)	Other Loans and Advances un secured considered good Advances receivable in cash or kind	125.00	125.00	
		262.50	267.84	
	NOTE 15 : Other non-current assets			
(a)	Long Term Trade Receivable	-	-	
(b)	Unamortised Expenses			
	(i) Public Issue and Pre - Operative Expenses	239.18	287.01	
		239.18	287.01	
	NOTE 16 : Current Investments			
	SBI PSU Fund	67.81	67.81	
	366 days Market value 71.50 lacs			
	Equity Shares of Saraswat Co Op Bank Ltd (unquoted - Membership shares)	0.51	0.51	
		68.32	68.32	

HILTON METAL FORGING LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENT

	As at 31-3-20X2	As at 31-3-20X1
NOTE 17 : Inventories		
(a) Raw material	1,585.62	1,588.76
(b) Semi Finished Goods	1,068.24	1,093.95
(c) Finished Goods	415.41	627.71
(d) Stores & Spares and Consumables	64.77	65.42
(e) Dies and Tools at Cost	881.42	866.73
(f) Scrap	326.82	57.20
	4,342.27	4,299.77
Details of Inventory of work- in progress (semi finished goods)		
Grade 304 L and equivalent	271.82	209.18
Grade 316 L and Equivalent	564.49	601.58
Grade A 105 and equivalent	181.39	233.09
Others	50.54	50.10
	1,068.24	1,093.95
NOTE 18 : Trade Receivable		
Trade Receivable		
(Unsecured considered good)		
Trade Receivable Outstanding for a period exceeding six months	497.38	319.34
Other Trade Receivable	852.55	671.85
un-Secured Considered Good		
	1,349.93	991.19
Trade Receivable include debts due from		
Directors	-	-
Other Officer of the Company	-	-
Firms in which any Directors are partners	-	-
Private Companies in which any director is a director	-	-
NOTE 19 : Cash and Cash Equivalents		
(a) Cash on Hand	1.97	4.61
(b) Cheques Drafts on Hand	-	-
(c) Balance with Banks		
in Current Accounts	(25.32)	(12.81)
in EEFC accounts	20.89	33.05
in Deposit Accounts (Margin Money)	92.64	74.25
in earmarked Accounts		
un paid dividend account	2.66	1.90
	92.85	101.00
Balance with bank includes deposit with Banks amounting to Rs 92.64 lacs (as at 31 March 2012 Rs 74.25 have an original maturity of more than 12 months.		

HILTON METAL FORGING LIMITED					
NOTES FORMING PART OF FINANCIAL STATEMENT					
			As at 31-3-20X2		As at 31-3-20X1
NOTE 20 : Short Term Loans and Advance					
(B)	Security Deposit un secured considered good		-		-
(c)	Loans and Advances to Related Party		-		-
(d)	Loans and Advances to Employee un secured considered good		9.26		18.47
(e)	Pre Paid Expenses un secured considered good		5.75		24.70
(f)	Advance Income Tax		-		-
(g)	MAT Credit Entitlement		-		-
(h)	Balance with Government Authorities un secured considered good				
(i)	CENVAT credit receivables		131.69		91.88
(ii)	VAT Credit Receivable		270.10		152.81
(iii)	Duty Drawback receivable		46.03		50.72
(i)	Other Loans and Advances un secured considered good Advances receivable in cash or kind		100.00		100.00
			562.82		438.58
Short Term Loans and advances include amounts due from					
	Directors		-		-
	Other Officers of the Company		-		-
	Firms in which any Directors are partners		-		-
	Private Companies in which any director is a director		-		-
NOTE 21 : Contingent Liabilities and commitments (to the extent not provided for)					

HILTON METAL FORGING LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENT

	As at 31-3-20X2	As at 31-3-20X1
NOTE 22 : Revenue from Operations		
Sales of Products (refer Note I Below)	7,714.96	5,016.96
Sales of Services (Refer Note ii Below)	116.93	94.18
Other Operating Revenues (Refer Note III Below)	1,730.43	1,357.14
	-	
The above figures are net off Excise and taxes		
	9,562.32	6,468.28
Sales of Product Comprises:		
Manufactured Goods		
Seemless Stub Ends	1,545.12	1,632.00
S S Flanges	3,090.24	1,201.00
S S Forging	574.20	694.00
C S Forgings	1,275.09	990.00
Others	109.31	102.39
Total - Sales of manufactured Goods	6,593.96	4,619.39
Traded goods		
Nickle Metal	554.00	397.57
Ferro Moly Denum	120.00	-
Nickle cathod	67.00	-
Roasted Moly	380.00	-
Total - Sales of Traded goods	1,121.00	397.57
Total - Sales of products	7,714.96	5,016.96
Sales of services comprises		
Labour Charges	116.93	94.18
Other Operational Revenue comprises		
Sales of scrap	1,487.57	1,141.32
Duty Draw back		
	1,487.57	1,141.32
NOTE 23 : Other Income		
Interest Income (from bank on Deposits)	4.16	9.43
Dividend Received	0.15	4.69
Other Non-operating Income	1.52	27.29
	5.83	41.41

HILTON METAL FORGING LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENT

	As at 31-3-20X2	As at 31-3-20X1
NOTE 24.a : Cost of Material Consumed		
Opening Stock	1,588.76	1,151.91
Add: Cost of Purchase	5,891.08	4,799.37
	-	
	7,479.84	5,951.28
Less: Sales	172.65	335.89
	7,307.19	5,615.39
Less: Closing stock	1,585.62	1,588.76
	5,721.57	4,026.63
Raw Material Consumed comprises		
Grade 304 L and equivalent	1,423.36	1,083.67
Grade 316 L and Equivalent	2,795.35	1,433.95
Grade A 105 and equivalent	1,041.31	1,190.82
Others	461.55	318.19
NOTE 24.b : Purchase of Traded goods		
Nickle Metal	440.68	386.99
Ferro Moly Denum	105.37	-
Nickle cathod	91.40	-
Roasted Moly	393.32	-
NOTE 24.c : Change in Inventories		
Work-in-progress and stock in trade		
Closing Stock		
Semi finished Goods	1,068.24	1,093.94
Finished Goods	415.41	627.71
scrap	326.82	57.20
Stores& Fuel	64.77	65.42
	1,875.24	1,844.27
Less: Opening Stock		
Semi finished Goods	1,093.95	1,094.11
Finished Goods	627.71	540.81
Scrap	57.20	36.32
Stores& Fuel	65.42	61.29
	1,844.28	1,732.53
Net (Increase)/Decrease	(30.95)	(111.74)

HILTON METAL FORGING LIMITED				
NOTES FORMING PART OF FINANCIAL STATEMENT				
		As at		As at
		31-3-20X2		31-3-20X1
NOTE 25 : Employees befits Expenses				
Employees Benefit Expenses				
Salary, Wages & Bonus		358.78		294.43
Remuneration to Directors		67.41		17.73
Contribution to Provident Fund		5.13		5.05
Grauity		0.15		0.53
Welfare Expenses		25.48		25.14
		456.95		342.88
NOTE 26 : Finance Costs				
Interest Expenses on				
1. Borrowings		319.08		293.60
2. Trade payable		46.16		43.71
		365.24		337.31
NOTE 27 : Other Expenses				
Stores & Spares Consumed		189.06		158.86
Packing Material Consumed		42.03		37.81
Die consumed		65.09		45.31
Sub- contracting		63.65		53.20
Power & Fuel		612.65		461.22
Water Charges		3.28		4.99
Repairs & Maintenance _ Machines		53.16		29.23
Insurance Charges - plant		1.52		3.22
Rent, Rates & Taxes		12.71		9.65
Communication		9.46		10.39
Traveling & Conveyance		51.85		54.98
Printing and Stationery		2.04		2.10
Freight & Forwarding Charges		166.74		128.87
Advertisement & Sales Promotions		24.82		39.39
Legal & Professional Charges		31.01		25.37
Auditors Remuneration		4.74		3.86
General expenses		206.17		131.68
		1,539.98		1,200.13

HILTON METAL FORGING LIMITED				
NOTES FORMING PART OF FINANCIAL STATEMENT				
	Notes: 28		As at 31-3-20X2	As at 31-3-20X1
	(i) Payment to the auditors comprises (net of service tax credit where applicable)			
	As auditors - statutory audit		3.52	2.78
	for Taxation matters		0.83	0.83
	Fow company Law Matters		0.28	0.17
	for Other services		0.11	0.11
	Total Rs.		4.74	3.89
	Additional Information to financial Statement:			
	Contigent Liabilities and commitments (to the extent not provided for)			
	(i) Contigent Liability			
	(a) Claims against the company not acknowledge as debt		0	0
	(b) Guarantees @ The company has not issued to asny other person or third party		0	0
	(c) other money for which the company is contigently liable Material cleared under Bond UT-1 and CT -1		0	0
	(ii) Commitments			
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		0	0
	(b) uncalled liability on shares and other investments partly paid		0	0
	(c) Other commitments		0	0
	Details of unutilised amounts our of issue of securites made for specific purpose:			
	None			
	Discloser required under Section 22 of the Micro, Small and Medium enterprises Developmetn Act			
	None (dues to Micro and Small Enterprises could not be determined for wants of sufficient information to the extent such parties can be catagorised /identified of its stature.			
	Disclosure as per Clause 32 of the Listing Agreemetn with Stock Exchanges:			
	Loans and advances in nature of loans given to susidaiaries, associates and others and investment in shares of the company by such parties:			
	Nil			

HILTON METAL FORGING LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENT

Details of derivatives instruments and unhedged foreign currency exposures.

The following derivative position are open as at 31st March 2012. these transactions have been under taken to act as economic hedges for the company's exposers to various risks in foreign exchange markets and may /may not qualyfy or to be designated as hedging instruments.the accounting of these transactions is stated in note 2.11 and 2.26

Forward Exchange contracts and options (being derivative instruments) which are not intended for trading or speculative purpose but for hedge purposes to establish the amount of reporting currency required or available at the statemetn date of certain payable or receivable.

(1) out standing forward contracts between in to by the company as on 31st March 20X2

Currency	Amount	Buy/Sell	Cross Currency
USD	750000	Sell	Rupees

(ii) Outstanding options contracts entered into by the compnay as on 31st March 2012

None

Disclosure required in terms of clause 13.5A of chapter XIII on guidelines for preferential issues, SEBI (discolsure and Investor Protection) Guide lines 2000

Nil

	As at 31-3-20X2	As at 31-3-20X1
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Details of Fixed assts held for sale

None

Value of Imports calculated on CIF Basis

Raw Material	5.92	0.00
Machinery equipments	29.65	0.00

Expenditure in foreign currency

Other Matters	17.54	24.22
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Details of Consumption of imported and Indiginious items

	for the year ended 20X2	31-3-
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Imports

Raw material	5.92	0.10%
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Components	0	0.00%
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Indiginious

Raw material	5715.65	99.90%
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Components	189.06	100%
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HILTON METAL FORGING LIMITED				
NOTES FORMING PART OF FINANCIAL STATEMENT				
		As at 31-3-20X2	As at 31-3-20X1	
	Export earnings in foreign currency			
	Export of goods calculated on FOB Basis	4534.66	3259.68	
	Amounts remitted in foreign currency during the year on account of Dividend			
	Amount remited in foreign currency	37500	37500	
	Total Number of share holders	1	1	
	Total Number of shares held by them on which dividend was due	150000	150000	
	Year to which the dividend relates	2010-11	2009-10	
	Details of contract revenue and costs			
	none			
	Details of Governmetn Grants			
	None			
	Disclosure under Accounting Standards			
	Details of amalgations			
	Nil			
	Details of Borrowing Costs Capitalised			
	Nil			
	Segment Infomration			
	The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.			
	The Company is mainly engaged in Manufacturing of Steel Forgings and Flanges and Forged Fittings for oil & gas industry, Petrochemicals and refineries, which in the context of Accounting standard (AS) 17 "Segment Reporting" is considered to be the only business segment			

HILTON METAL FORGING LIMITED				
NOTES FORMING PART OF FINANCIAL STATEMENT				
		As at	As at	
		31-3-20X2	31-3-20X1	
Related party Transactions				
Key Management Personnel				
Mr Yuvraj Malhotra				
Mr Navraj Malhotra				
Relatives to KMP				
Mrs Diksha Malhotra				
Remuneration to KMP				
Yuvraj Malhotra		59.76	23.76	
Navraj Malhotra		7.65	6.00	
Salary to Relative of KMP				
Mrs Diksha Malhotra		7.80	6.00	
Earning per Share				
Basic				
<u>Continuing Operations</u>				
Net profit/(loss) for the year from continuing operations		164.00	16.22	
Less preference Dividend and Tax thereon		0.00	0.00	
Net profit/(loss) for the year from continuing operations attributable to the Equity Share Holders		164.00	16.22	
Weighted average number of equity shares for basic EPS		12443016	12443016	
Weighted average number of equity shares for DilutedEPS		12443016	12443016	
par value per shares				
Earning per shares from continuing operations		1.32	0.13	

HILTON METAL FORGING LIMITED					
NOTES FORMING PART OF FINANCIAL STATEMENT					
		As at	As at		
		31-3-20X2	31-3-20X1		
Deferred Tax Liability					
Tax effect of items constituting deferred tax liability					
on difference between book balance and tax balance of fixed assets		21535403	27058189		
On expenditure deferred in the books but allowable for the tax purposes		0	0		
On items included in Reserves and surplus pending amortisation in to the statement of profit and loss		0	0		
Others		0	0		
Tax effect of items constituting deferred tax liability		7248817	9107786		
Net Deferred Tax (Liability) / assets		72.49	91.08		
Balance Brought forward		393.98	302.90		
Net deferred Tax Liability		466.47	393.98		
Discontinuing Operations					
No operations has been suspended or discontinued during the current year.					

As per our report of even date	For and on behalf of the Board of Directors		
For R K Chaudhary & Associates			
CHARTERED ACCOUNTANTS			
	Yuvraj Malhotra	Navraj Malhotra	
R K Chaudhary	Chairman & Managing	Whole Time	
Proprietor	Director	Director	
M No : 35487 FRN No 133512W			
Place: Mumbai			
Date: 18/05/2012			

Hilton Metal Forging Limited
Cash Flow Statement for the year ended 31 March, 2012

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		286.65		130.05
<i>Adjustments for:</i>				
Depreciation and amortisation		245.79		245.28
Finance costs		365.24		337.31
Interest income		4.16		9.43
Dividend income		0.15		4.69
Rental income from investment properties		-		11.25
Operating profit / (loss) before working capital changes		893.37		687.27
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(42.50)		(699.59)	
Trade receivables	(358.74)		(223.92)	
Short-term loans and advances	(124.24)	(525.48)	196.66	(726.85)
Long-term loans and advances				
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	377.71		855.95	
Other current liabilities	(30.74)		(60.40)	
Other long-term liabilities				
Short-term provisions	27.42			
Long-term provisions				
		374.40		795.55
Cash flow from extraordinary items				
Cash generated from operations		742.29		755.97
Net income tax (paid) / refunds				
Net cash flow from / (used in) operating activities (A)				

AS 3.18(b) Cash Flow Statement for the year ended 31 March, 20X2 (Contd.)

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
	₹	₹	₹	₹
B. Cash flow from investing activities				
Capital		(63.14)		(64.18)
Current investments not considered as Cash and cash equivalents				(67.81)
- Purchased				
Interest received				
- Others		4.16		9.43
Dividend received				
- Others		0.15		4.69
Rental income from investment properties		-		11.25
Cash flow from extraordinary items				
Net income tax (paid) / refunds				
Net cash flow from / (used in) investing activities (B)		(58.83)		(106.62)

Hilton Metal Forging Limited				
Cash Flow Statement for the year ended 31 March, 2012 (Contd.)				
Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
	₹	₹	₹	₹
C. Cash flow from financing activities				
Repayment of long-term borrowings		(300.00)		(174.34)
Net increase / (decrease) in working capital borrowings		(26.36)		(136.17)
Finance cost		(365.24)		(337.31)
Tax on dividend				
Cash flow from extraordinary items				
Net cash flow from / (used in) financing activities (C)		(691.60)		(647.82)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(8.15)		1.53
Cash and cash equivalents at the beginning of the year		101.00		99.47
Effect of				
Cash and cash equivalents at the end of the year		92.85		101.00
Reconcili				
Cash and cash equivalents as per Balance Sheet (Refer Note 19)		92.85		101.00
Cash and cash equivalents at the end of the year *		92.85		101.00
* Comprises:				
(a) Cash on hand		1.97		4.61
(b) Cheques, drafts on hand				
(c) Balances with banks				
(i) In current accounts		(25.32)		(12.81)
(ii) In EEFC accounts		20.89		33.05
(iii) In deposit accounts with original maturity of less than 3 months		92.64		74.25
(iv) In earmarked accounts (give details) (Refer Note (ii) below)		2.66		1.90
(d) Others (specify nature)				
(e) Current investments considered as part of Cash and cash				
		92.85		101.00
Notes:				
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.				
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.				
See accompanying notes forming part of the financial statements				
In terms of our report attached.				
For R K Chaudhary & Associates				For and on behalf of the Board of Directors
Chartered Accountants				
R K Chaudhary			Chairman	Managing Director
Proprietor				
Membership No 035487 RFN No 133512W				
Place : Mumbai			Place : Mumbai	
Date : 18-5-2012			Date : 18/05/2012	

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 7th ANNUAL GENERAL MEETING of the Company being held on Saturday the 29th September 2012 at 701, Palm Spring , Palm Court Complex, Link Road, Malad (west), Mumbai - 400 064. at 11.30A.M.

NAME OF SHAREHOLDER _____

NAME OF PROXY _____

(To be filled in the case the proxy attends 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 7th ANNUAL GENERAL MEETING of the Company being held on Saturday the 29th September, 2012 or at any adjourned thereof.

Signed this _____ day of _____ 2012 Signature of Member / Proxy

Affix Rupee
One Revenue
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.

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HILTON
METAL FORGING LTD.

if undelivered please return to :

Corporate Office:
HILTON METAL FORGING LTD.

701, Palm Spring, Palmcote Complex,
Link Road, Malad (West), Mumbai - 400 064.

Email : hiltonforge@vsnl.com Web : www.hmtl.co.in