



Letter of Offer
Wednesday, October 19, 2022
For Eligible Equity Shareholders Only



HILTON METAL FORGING LIMITED

Our Company was incorporated as "Hilton Metal Forging Limited" on July 21, 2005, as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Mumbai, Maharashtra, (the "RoC") bearing Registration No. 154986 upon conversion of a partnership firm named "M/s Hilton Forge". Our Company received its certificate of commencement of business dated September 09, 2005 from the RoC. For details of the change in the address of the registered office of our Company, see 'General Information' on page 36 of this Letter of Offer.

Corporate Identification Number: L28900MH2005PLC154986

Registered Office: Unit B 510 Western Edge II Village Nr. W.E. Highway, Magathane, Borivali East, Mumbai, Maharashtra - 400066

Contact Details: +91-9619667638; **Contact Person:** Mrs. Richa Shah, Company Secretary and Compliance Officer;

Email-ID info@hiltonmetal.com; **Website:** www.hiltonmetal.com

PROMOTERS OF OUR COMPANY MR. YUVRAJ HIRALAL MALHOTRA AND MRS. DIKSHA YUVRAJ MALHOTRA FOR PRIVATE CIRCULATION TO THE EQUITY SHAREHOLDERS OF OUR COMPANY

RIGHTS ISSUE OF 60,00,000* FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10/- ('RIGHTS EQUITY SHARES') EACH AT A PRICE OF ₹ 55/- (RUPEES FIFTY FIVE ONLY) PER RIGHT SHARE (INCLUDING A PREMIUM OF ₹ 45/- (RUPEES FORTY FIVE ONLY) PER RIGHT SHARE) ('ISSUE PRICE') ('RIGHT SHARES') FOR AN AMOUNT UP TO ₹ 3,300.00 LAKHS ON A RIGHTS ISSUE BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF HILTON METAL FORGING LIMITED ('COMPANY' OR 'ISSUER') IN THE RATIO OF 2 (TWO) RIGHT SHARES FOR EVERY 5 (FIVE) EQUITY SHARES HELD BY SUCH ELIGIBLE EQUITY SHAREHOLDERS AS ON THE RECORD DATE, THAT IS ON THURSDAY, OCTOBER 20, 2022 ('ISSUE'). THE ISSUE PRICE IS 5.5 TIMES THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, KINDLY REFER TO THE SECTION TITLED 'TERMS OF THE ISSUE' BEGINNING ON PAGE 170 OF THIS LETTER OF OFFER.

*Assuming full subscription

WILFUL DEFAULTERS AND/ OR FRAUDULENT BORROWERS

Neither our Company, nor our Promoters, or Directors are or have been categorized as wilful defaulters or fraudulent borrowers by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India.

GENERAL RISK

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The Right Shares have not been recommended or approved by the Securities and Exchange Board of India ('SEBI') nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Investors are advised to refer 'Risk Factors' beginning on page 21 of this Letter of Offer before investing in the Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares are listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (together, the "Stock Exchanges"). Our Company has received 'in-principle' approvals from the BSE and NSE for listing the Rights Equity Shares to be issued pursuant to this Issue vide their letters dated October 11, 2022 and September 20, 2022 respectively. Our Company will also make applications to the Stock Exchanges to obtain their trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE Limited

LEAD MANAGER TO THE ISSUE



KUNVARJI FINSTOCK PRIVATE LIMITED

Address: B-Wing, Siddhivinayak Towers, Nr DAV School, Next to Kataria House, Off SG Highway, Makarba, Ahmedabad - 380051

CIN: U65910GJ1986PTC008979

Contact Person: Mr. Niraj Thakkar/ Mr. Prasann Bhatt

Tel No.: +91 79 6666 9000 | **F:** +91 79 2970 2196

Email ID/Investor Grievance Email: info@kunvarji.com

Website: www.kunvarji.com

SEBI Registration No.: INM000012564

REGISTRAR TO THE ISSUE



BIGSHARE SERVICES PRIVATE LIMITED

Address: Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093.

Contact Person: Mr. Vijay Surana

Tel No.: 022-62638200/22

Email: rightsissue@bigshareonline.com

Investor grievance e-mail: investor@bigshareonline.com

Website: www.bigshareonline.com

SEBI Registration No: INR000001385

ISSUE OPENING DATE

THURSDAY, NOVEMBER 03, 2022

LAST DATE FOR MARKET RENUNCIATION*

FRIDAY, NOVEMBER 04, 2022

ISSUE CLOSING DATE**

FRIDAY, NOVEMBER 11, 2022

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

**Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Letter of Offer is intended for the convenience of the reader/prospective Applicant only and is not exhaustive.

This Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, or policies shall be to such legislation, act, regulation, rules, guidelines, or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to 'the Company', 'we', 'our', 'us' or similar terms are to Hilton Metal Forging Limited as the context requires, and references to 'you' are to the Eligible Shareholders and/ or prospective Investors in this Right Issue of Equity Shares.

The words and expressions used in this Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in section titled 'Industry Overview', 'Statement of Tax Benefits', 'Financial Information', 'Outstanding Litigations, Defaults, and Material Developments' and 'Terms of the Issue' on page 53, 47, 70, 157 and 170 respectively, shall have the meaning given to such terms in such sections.

GENERAL TERMS

TERM	DESCRIPTION
Hilton Metal Forging Ltd. / HMFL / the Company / our Company	Hilton Metal Forging Limited, a public limited company incorporated under the provisions of the Companies Act, 1956, as amended from time to time having its Registered Office situated at Unit B 510 Western Edge II Village Nr. W.E. Highway, Magathane, Borivali East, Mumbai, Maharashtra – 400066.
We/ us/ our	Unless the context otherwise indicates or implies, refers to Hilton Metal Forging Limited;

COMPANY RELATED TERMS

TERM	DESCRIPTION
AoA/ Articles of Association	The Articles of Association of Hilton Metal Forging Limited, as amended from time to time;
Audit Committee	The committee of the Board of Directors constituted as our Company's audit committee in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (LODR) Regulations;
Audited Financial Statements	The audited financial statements of our Company prepared under IND AS for the Financial Years ending 2022, 2021, and 2020;
Auditors/ Statutory Auditors/ Peer Review Auditor	The statutory auditors of our Company Anil Bansal & Associates, Chartered Accountants having FRN: 100421W;
Board of Directors/ Board	The Board of Directors of Hilton Metal Forging Limited, including all duly constituted Committees thereof;
Chairman & Managing Director	Mr. Yuvraj Hiralal Malhotra
Companies Act	The Companies Act, 2013 and rules issued thereunder, as amended;
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, being Mrs. Richa Shah;
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, being Mr. Siddharth Jain;
Directors	The director(s) on the Board of our Company, unless otherwise specified;

Eligible Shareholder(s)	Eligible holder(s) of the Equity Shares of Hilton Metal Forging Limited as on the Record Date;
Equity Shares	Equity Share of the Company having face value of ₹ 10/- (Rupee Ten Only), unless otherwise specified;
Financial Information	Collectively, the Audited Financial Statements and Reviewed / Unaudited Financial Information;
Independent Director	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI (LODR) Regulations. For details of the Independent Directors, please refer to section titled ' Our Management ' beginning on page 66;
ISIN	International Securities Identification Number being INE788H01017;
Key Management Personnel/ KMP	Key management personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2 (51) of the Companies Act, 2013. For details, please refer to section titled ' Our Management ' beginning on page 66;
MoA/ Memorandum of Association	The Memorandum of Association of Hilton Metal Forging Limited, as amended from time to time;
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company's Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (LODR) Regulations;
Promoters & Promoter Group	Mr. Yuvraj Hiralal Malhotra and Mrs. Diksha Yuvraj Malhotra are the Promoters of our Company and individually referred to as "Promoter", Mr. Mohak Yuvraj Malhotra, Mrs. Seema Gujral, and Mr. Navraj Malhotra are the Promoter Group of our Company and referred as "Promoter Group";
Registered Office	The registered office of our Company located at Unit B 510 Western Edge II Village Nr. W.E. Highway, Magathane, Borivali East, Mumbai, Maharashtra - 400066;
Registrar of Companies/ RoC	Registrar of Companies, Mumbai, Maharashtra, situated at 100, Everest, Marine Drive, Mumbai - 400 002;
Shareholders	The equity shareholders of our Company, from time to time, unless otherwise specified in the context thereof.
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Section 178 of the Companies Act, 2013;

ISSUE RELATED TERMS

TERM	DESCRIPTION
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act;
Additional Right Shares	The Right Shares applied or allotted under this Issue in addition to the Rights Entitlement;
Allot/ Allotment/ Allotted	Unless the context requires, the allotment of Right Shares pursuant to this Issue;
Allotment Account	The account opened with the Banker to the Issue, into which the Application Money lying to the credit of the escrow account(s) and application amounts by ASBA blocked in the ASBA Account, with respect to successful Investors will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act;
Allotment Advice	The note or advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Right Shares pursuant to this Issue;
Allotment Date	Date on which the Allotment is made pursuant to this Issue;
Allottee(s)	Persons to whom Rights Equity Shares are issued pursuant to the Issue;
Applicant(s)/ Investor(s)	Eligible Shareholder(s) and/or Renouncee(s) who make an application for the Right Shares pursuant to this Issue in terms of the Letter of Offer, including an ASBA Investor;
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price;
Application Form/ Common Application	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the

Form (CAF)	SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of Equity Shares in the Issue;
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price;
Application Supported by Blocked amount or ASBA	Application (whether physical or electronic) used by ASBA Investors to make an application authorizing the SCSB to block the Application Money in the ASBA Account maintained with such SCSB;
ASBA Account	A bank account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Shareholders, as the case may be;
ASBA Applicant /ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renouces) shall make an application for an Issue only through ASBA facility;
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations;
ASBA Circulars	Collectively, the SEBI circulars bearing reference numbers 'SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009', 'CIR/CFD/DIL/1/2011 dated April 29, 2011', and 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020';
Bankers to the Issue/ Refund Bank	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being State Bank of India Limited;
Bankers to the Issue Agreement	Agreement dated September 7, 2022 entered into by and amongst our Company, the Lead Manager and the Registrar to the Issue, and the Bankers to the Issue for collection of the Application Money from applicants/Investors, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Investors and providing such other facilities and services as specified in the agreement;
Basis of Allotment	The basis on which the Right Shares will be Allotted to successful Applicants in the Issue, and which is described in the section titled ' Terms of the Issue ' beginning on page 170;
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time;
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/husband, investor status, occupation and bank account details, where applicable;
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time;
Designated Stock Exchange	BSE Limited;
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996;
Draft Letter of Offer/ DLoF	This Draft Letter of Offer dated September 10, 2022, filed with BSE Limited ("BSE") and National Stock Exchange of India Ltd. ("NSE"), in accordance with the SEBI (ICDR) Regulations, for their observations and in-principle approval;
Escrow Account(s)	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time;
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being State Bank of India Limited;

Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date i.e. October 20, 2022. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders;
Issue/ Rights Issue	Rights Issue of up to 60,00,000 Equity Shares of our Company for cash at a price of ₹ 55/- (Rupees Fifty Five Only) per Rights Equity share for an amount upto ₹ 3300.00 Lakhs on a rights basis to the Eligible Shareholders of our Company in the ratio of 2 (Two) Right Shares for every 5 (Five) Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. Thursday, October 20, 2022;
Issue Agreement	Issue agreement dated September 10, 2022 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue;
Issue Closing Date	Friday, November 11, 2022
Issue Material	Collectively, the Letter of Offer, the Abridged Letter of Offer, the Common Application Form and Rights Entitlement Letter;
Issue Opening Date	Thursday, November 03, 2022
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their Applications, in accordance with the SEBI (ICDR) Regulations;
Issue Price	₹ 55/- (Rupees Fifty Five Only) per Right Share issued in 1 (One) Rights Entitlement, including a premium of ₹ 45/- (Rupees Forty Five only) per Rights Share;
Issue Proceeds	The proceeds of the Issue that are available to our Company;
Issue Size	Amount aggregating up to ₹ 3300.00 Lakhs*; *Assuming full subscription
Lead Manager to the Issue	Kunvarji Finstock Private Limited;
Letter of Offer/ LoF	The final letter of offer dated October 19, 2022, filed with the BSE and NSE after incorporating the observations received from the BSE and NSE on the Letter of Offer;
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application;
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to the section titled ' Objects of the Issue ' beginning on page 43;
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees;
Non-Institutional Investors/ NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI (ICDR) Regulations;
Offer Documents	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum thereto;
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws;
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stockbroker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before October 04, 2022;
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations;
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Right Shares, being Thursday, October 20, 2022;
Refund through electronic transfer of Funds	Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable;
Registrar to the Issue	Bigshare Services Private Limited;
Registrar Agreement	Agreement dated September 09, 2022 entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue;

Renounees	Any person(s) who, not being the original recipient has/have acquired the Rights Entitlements from the Equity Shareholders through renunciation in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars;
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. Thursday, November 03, 2022. Such period shall close on Friday, November 04, 2022 in case of On Market Renunciation. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounee on or prior to the Issue Closing Date i.e. Friday, November 11, 2022;
Retail Individual Investors/ RIIs	An individual Investor (including an HUF applying through karta) who has applied for Rights Shares and whose Application Money is not more than ₹2,00,000/- (Rupees Two Lakhs Only) in the Issue as defined under Regulation 2(1)(vv) of the SEBI (ICDR) Regulations;
Rights Entitlement (s)/ REs	The number of Right Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being 2 (Two) Rights Equity Shares for every 5 (Five) Equity Shares held by an Eligible Equity Shareholder; The Rights Entitlements with a separate ISIN 'INE788H20017' will be credited to your demat account before the date of opening of the Issue, against the Equity Shares held by the Equity Shareholders as on the Record Date, pursuant to the provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date;
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Shareholders;
Right Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on fully paid-up basis on Allotment;
SEBI Rights Issue Circulars	Collectively, SEBI circulars bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020', 'SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020', 'SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020', 'SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020' and 'SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021';
Self-Certified Syndicate Banks/ SCSB(s)	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35 , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=40 or such other website as updated from time to time;
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange (BSE Limited);
Wilful Defaulter	A Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of SEBI (ICDR) Regulations and in accordance with the guidelines on wilful defaulters or a fraudulent borrowers issued by the RBI, including any Company whose director or promoter is categorized as such;
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, Working day means all days on which commercial banks in Maharashtra are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Right Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI;

BUSINESS AND INDUSTRY RELATED TERMS

TERM	DESCRIPTION
2T/3T/16T	Tone
AIFI	Association of Indian Forging Industry
ANSI	American National Standard Institute
API Monogram	American Petroleum Institute registered certification mark
API	American Petroleum Institute
ASTM	American Society for Testing and Materials
ASME	American Society Of Mechanical Engineers
MSS	Manufacturers Standardization Society of the Valve and Fittings Industry
AWWA	American Water Works Association
DIN	Deutsches Institut für Normung
EN	European Norm
NACE Standards	The National Association of Corrosion Engineers
B2B	Business to Business
BS	British Standard
BU	Business Unit
CAGR	Compounded Annual Growth Rate
Capex	Capital Expenditure
CNC	Computer Numerical Control
CRN	Canadian Registration Number
CSIR-IMMT	CSIR-Institute of Minerals and Materials Technology
DEPB	Duty Entitlement Pass Book
EEPC	Engineering Export Promotion Council of India
FDI	Foreign Direct Investment;
FEA	Far East Asia
FICCI	Federation of Indian Chambers of Commerce and Industry;
FIPB	Foreign Investment Promotion Board;
FY	Financial Year;
GDP	Gross Domestic Product
GFMA	Global Financial Markets Association
GSI	Geological Survey of India
GST	Goods and Services Tax;
GVA	Gross Value Added
HMC	Horizontal Machining Center
HSE	Health, Safety and Environment
IIP	Index of Industrial Production
ISO 9001:2000	International Standard Organization 9001:2000 Certification Standard
MNC	Multi National Company;
MOUs	Memorandum of Understanding;
MSEDCL	Maharashtra State Electricity Distribution Company Limited
MSS	Manufacturer's Standardization Society
MT	Metric Tonnes
NCFM	NSE Academy Certification in Financial Markets
NOC	No Objection Certificate;
OEM	Other Equipments Manufacturers
PDO	Petroleum Development Oman
PED	Pressure Equipment Directive
SASOL	South African Synthetic Oil Limited
SSI	Small Scale Industries
VMC	Vertical Machine Center

TERM	DESCRIPTION
One Million	Ten Lakhs;
One Billion	Ten Thousand Lakhs;
One Trillion	One Crore Lakhs;
Sq. ft.	Square Foot;
USA	United States of America;
USD	United States Dollar;
WEO	World Economic Outlook;

ABBREVIATIONS

TERM	DESCRIPTION
₹/Rs. /Rupees /INR	Indian Rupees, the official currency of the Republic of India;
AGM	Annual General Meeting;
AIF	Alternative Investment Fund as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
AS	Accounting Standards issued by the Institute of Chartered Accountants of India;
AY	Assessment Year;
BSE	BSE Limited;
CAF	Common Application Form;
CDSL	Central Depository Services (India) Limited;
CFO	Chief Financial Officer;
CIN	Corporate Identification Number;
CIT	Commissioner of Income Tax;
CLRA	Contract Labour (Regulation and Abolition) Act, 1970;
Companies Act, 2013	Companies Act, 2013 along with rules made thereunder;
Companies Act, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections);
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020;
CSR	Corporate Social Responsibility;
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;
Depositories Act	The Depositories Act, 1996;
DP/ Depository Participant	Depository Participant as defined under the Depositories Act;
DIN	Director Identification Number;
DP	Depository Participant;
DP-ID	Depository Participant's Identification;
DR	Depository Receipts;
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation, and amortization expense, as presented in the statement of profit and loss;
EGM	Extraordinary General Meeting;
EPS	Earning per Equity Share;
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA;
FDI	Foreign Direct Investment;
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder;
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019;
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws;
FIPB	Foreign Investment Promotion Board;
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FPI Regulations;

Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI;
FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated;
GAAP	Generally Accepted Accounting Principles;
GDP	Gross Domestic Product;
GoI / Government	The Government of India;
GST	Goods and Services Tax;
HUF	Hindu Undivided Family;
Ind AS	Indian Accounting Standards;
ICAI	The Institute of Chartered Accountants of India;
ICSI	The Institute of Company Secretaries of India;
IFRS	International Financial Reporting Standards;
Income Tax Act/ IT Act	The Income Tax Act, 1961 and amendments thereto;
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended;
IT	Information Technology;
MCA	The Ministry of Corporate Affairs, GoI;
MN / Mn	Million;
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;
N.A. or NA	Not Applicable;
NAV	Net Asset Value;
NEFT	National Electronic Fund Transfer;
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect;
NR/ Non-Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI;
NRE	Non-Resident External Account;
NRI	Non-Resident Indian;
NSDL	National Securities Depository Limited;
NSE	National Stock Exchange of India Limited;
OCB	Overseas Corporate Body;
p.a.	Per annum;
P/E Ratio	Price/Earnings Ratio;
PAN	Permanent Account Number;
PAT	Profit After Tax;
RBI	Reserve Bank of India;
RBI Act	Reserve Bank of India Act, 1934;
RoNW	Return on Net Worth;
SCORES	SEBI Complaints Redress System;
SCRA	Securities Contracts (Regulation) Act, 1956;
SCRR	Securities Contracts (Regulation) Rules, 1957;
SEBI	Securities and Exchange Board of India;
SEBI Act	Securities and Exchange Board of India Act, 1992;
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019;
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto;

SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto;
Securities Act	United States Securities Act of 1933, as amended;
STT	Securities Transaction Tax;
Trade Mark Act	Trade Marks Act, 1999 and the rules thereunder, including subsequent amendments thereto;
TDS	Tax deducted at source;
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be;



NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer the Abridged Letter of Offer or CAFs may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will electronically dispatch through email and physical dispatch through speed post/courier the Letter of Offer, Abridged Letter of Offer and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email and speed post/courier, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this, Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, SEBI, and the Stock Exchanges.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer has been filed with BSE and NSE for observations. Accordingly, the Right Entitlements and Right Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer, and, under such circumstances, Issue Material must be treated as sent for information purpose only and should not be acted upon for subscription to Rights Entitlement and Right Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of Issue Material should not, in connection with this Issue of the Right Shares or Rights Entitlements, distribute or send the same in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If Issue Material is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Right Shares, or the Rights Entitlements referred to in the Issue Material.

Any person who makes an application to acquire Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that she/he is authorized to acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar to the Issue or any other person acting on behalf of us reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of Letter of Offer, Abridged Letter of Offer and CAFs nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer.

Neither the delivery of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer, Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlement and the Right Equity Shares of our Company have not been and will not be registered under the Securities Act, or any U.S. State Securities Laws and may not be offered, sold, resold, or otherwise transferred within the United States of America or the territories or possessions thereof, except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Letter of Offer are being offered in India, but not in the United States. The offering to which the Letter of Offer and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Equity Shares or rights. Accordingly, the Issue Materials should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making the Right Shares to Eligible Shareholders of our Company on the Record Date and issue materials will be dispatched only to Equity Shareholders who have an Indian address. Any person who acquires rights and the Right Shares will be deemed to have declared, represented, warranted, and agreed, that:

1. It is not and that at the time of subscribing for the Right Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made,
2. It does not have a registered address (and is not otherwise located) in the United States,
3. It is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.
4. Our Company believes that Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and
5. Our Company shall not be bound to allot or issue any Rights Shares or Rights Entitlement in respect of any such Application Form.

Our Company reserves the right to treat as invalid any Application form which:

1. Appears to our Company or its agents to have been executed in or dispatched from the United States;
2. Where a registered Indian address is not provided; or
3. Where our Company believes that Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "US SEC"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM LEAD MANAGER OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.



CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND USE OF CURRENCY OF PRESENTATION

CERTAIN CONVENTIONS

Unless otherwise specified or the context otherwise requires, all references to “India” contained in this Letter of Offer are to the Republic of India and the “Government” or “GoI” or the “Central Government” or the “State Government” are to the Government of India, Central or State, as applicable.

Unless otherwise specified or the context otherwise requires, all references here into the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, all references in this Letter of Offer are in Indian Standard Time. Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to the/our ‘Company’, ‘we’, ‘our’, ‘us’ or similar terms are to Hilton Metal Forging Limited or, as the context requires, and references to ‘you’ are to the Equity Shareholders and/ or prospective Investors in the Equity Shares.

FINANCIAL DATA

Unless stated otherwise, the financial data in this Letter of Offer is derived from the Audited Financial Statements for the year ended 31st March, 2022, 31st March, 2021 and 31st March, 2020 and Reviewed / Unaudited Financial Information for the three months period ended June 30, 2022 of our Company prepared in accordance with Ind AS, Accounting Standards, Companies Act, 2013. For further details, please refer to the section titled **‘Financial Information’** beginning on page 70. The financial year of our Company commences on April 1 and ends on March 31.

The GoI has adopted the Indian Accounting Standards (“Ind AS”), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board (“IFRS”) and notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the “Ind AS Rules”). The Financial Statements of our Company for the Financial Years ended March 2020, March 2021 and March 2022 and Reviewed / Unaudited Financial Information for the three months period ended June 30, 2022 have been prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act, 2013 read with the Ind AS Rules and other the relevant provisions of the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospect uses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Indian Rupees.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Letter of Offer should accordingly be limited. For further information, see **‘Financial Information’** on page 70.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

CURRENCY OF PRESENTATION

All references in this Letter of Offer to 'Rupees', 'Rs.', '₹', 'Indian Rupees' and 'INR' are to Rupees, the official currency of the Republic of India.

All references to 'U.S. \$', 'U.S. Dollar', 'USD' or '\$' are to United States Dollars, the official currency of the United States of America.

Please Note:

One million is equal to 1,000,000/10 lakhs;

One billion is equal to 1,000 million/100 crores;

One lakh is equal to 100 thousand;

One crore is equal to 10 million/100 lakhs;

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used in this Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe the industry and market data used in this Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in '**Risk Factors**' on page 21. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENTS

Our Company has included statements in this Letter of Offer which contain words or phrases such as 'will', 'may', 'aim', 'is likely to result', 'believe', 'expect', 'continue', 'anticipate', 'estimate', 'intend', 'plan', 'contemplate', 'seek to', 'future', 'objective', 'goal', 'project', 'should', 'pursue' and similar expressions or variations of such expressions, that are 'forward looking statements'.

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in its industry and incidents of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
- General economic and business conditions Globally, in India and in the markets in which we operate and in the local, regional, and national economies;
- Changes in laws and regulations relating to the sectors and industry in which we operate;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to:
 - ✓ Manage our operating costs and impact on the financial results;
 - ✓ Successfully implement our business strategies and expansion plans;
- Any cyclic change in the demand and supply of direct or indirect raw material supplies.
- Failure of our R&D efforts to yield returns or benefits, inability to successfully offer our customers new solutions and products and maintain our competitiveness; and
- Failure to effectively implement our production schedules, or prevent unanticipated or prolonged interruptions at our manufacturing operations.
- Changes in general, political, social and economic conditions in India and elsewhere;

For a further discussion of factors that could cause the actual results to differ, please refer to the section titled '**Risk Factors**' beginning on page 21. By their nature, certain market risk disclosures are only estimates and could materially be different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance. Our Company or advisors does not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and Stock Exchanges (BSE & NSE) requirement, our Company shall ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the BSE and NSE.

SECTION II – SUMMARY OF THE LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Letter of Offer, including the sections titled **‘Risk Factors’, ‘Objects of the Issue’, ‘Business Overview’** and **‘Outstanding Litigations, Defaults and Material Developments’** beginning on page 21, 43, 59 and 157 respectively.

SUMMARY OF INDUSTRY

Forging is traditionally considered as the back bone of manufacturing industry. It is a major input to the sectors such as Automobile, Industrial Machinery, Power, Construction & Mining Equipment, Railways and General Engineering, which support economic growth of the nation.

The Global metal forging market size was valued at USD 83.9 billion in 2020 and is expected to witness a CAGR of 5.1% from 2020 to 2027.

India is the 3rd largest manufactures of forgings in the world, after China and the European nations (led by Germany). The Indian forging industry is well recognised globally for its technical capabilities. With an installed capacity of around 38.5 lakh MT, Indian forging industry has a capability to forge variety of raw materials like Carbon steel, Alloy steel, Stainless steel, Super alloy, Titanium, Aluminum and so forth, as per the requirements of user industry. Over the years, the Indian forging industry has evolved from being a labour-intensive industry to capital-intensive manufacturing sector. The current investment in the plant and machinery by Indian forging companies is worth of INR 37,926 Crore.

Based on their installed capacity, the forging units may be classified as very large (capacity above 75,000 MT), large (capacity above 30,000 to 75,000 MT), medium (capacity above 12,500 to 30,000 MT), small (capacity above 5,000 to 12,500 MT) and very small (capacity up to 5,000 MT). Based on this classification it is seen that about 83% of the total number of units are small and very small, while only about 8% can be classified as very large and large units; the balance of about 9% constitute the medium sized units. Based on the above summary, Hilton Metal Forging Limited comes in category ‘large’ unit.

For further details, please refer, one of them to the chapter titled **‘Industry Overview’** at page 53.

SUMMARY OF OUR BUSINESS

Our Company is primarily engaged in the business of manufacturing of iron and steel forging mainly catering to the needs of the Oil and Gas, Refineries and Pharmaceutical industries. Our Company is one of the leading manufacturer, distributors and recognized export house of steel forged flanges, fittings & oilfield and marine products for both the domestic & international markets as per ASTM / ASME / MSS / API / AWWA / DIN / EN / AUSTRALIAN / RUSSIAN AND NACE Standards. We use state-of-the-art machinery resulting in better quality forged flanges and fittings and are also capable to provide special custom forgings as per our customers’ drawings and specifications.

For further details, please refer to the section titled **‘Business Overview’** on page 59.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Mr. Yuvraj Hiralal Malhotra and Mrs. Diksha Yuvraj Malhotra and are individually referred to as “Promoter”.

Mr. Mohak Malhotra, Mrs. Seema Gujral, and Mr. Navraj Malhotra are the Promoter Group of our Company and are referred to as “Promoter Group”.

INTENTION AND EXTENT OF PARTICIPATION BY OUR PROMOTERS & PROMOTER GROUP IN THE ISSUE

The Promoters and Promoter Group of our Company through its letters dated September 9, 2022, have confirmed that they intend to subscribe in part or to the full extent of its Rights Entitlement in this Issue and to the extent of



unsubscribed portion (if any) of this Issue. The Promoter and Promoter Group may renounce their Rights Entitlement within the Promoter and Promoter Group and/or to the third party (ies) in the open market.

Any such subscription for Right Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding in the Company. The allotment of Equity Shares of the Company subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI (SAST) Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

OBJECTS OF THE ISSUE

The details of Issue Proceeds are set forth in the following table:

Particulars	Amount (₹ in lakhs)
Gross Proceeds from the Issue [#]	3300.00*
Less: Estimated Issue related Expenses	(30.95)
Net Proceeds from the Issue	3269.05

[#]Assuming full subscription

*The issue size will not exceed ₹ 3300.00 lakhs. If there is any reduction in the amount on account of or at the time of finalisation of issue price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.

For further details, please refer to the section titled '**Objects of the Issue**' beginning on page 43.

FINANCIAL INFORMATION

The following table sets forth the summary financial information derived from the Audited Financial Statements prepared in accordance with Ind AS and the Companies Act, 2013 for the Financial Year ending March 31, 2022, March 31, 2021, and March 31, 2020 and Reviewed / Unaudited Financial Information for the three months period ended June 30, 2022.

Particulars	(₹ in Lakhs)			
	April'22 – June' 22*	2022**	2021**	2020**
Equity Share Capital	1,244.30	1,244.30	1,244.30	1,244.30
Net Worth ¹	4589.16	4,487.69	4,311.48	6,268.65
Total Income	1,788.00	8,418.99	4,769.81	10,321.37
Profit / (loss) after tax	101.47	176.21	(1,957.17)	154.99
Basic and diluted EPS (in ₹)	0.82	1.42	(15.73)	1.25
Net asset value per Equity Share (in ₹)	36.88	36.06	34.65	50.38
Total borrowings ²	5627.81	6,026.83	5,732.13	4,477.86

*Based on the Reviewed / Unaudited Financial Information for the period from April'22 to June'22

**Based on the Audited Financial Statements for the Financial Year ending March 31

¹Equity Share Capital and Other Equity

²consists of borrowings under non-current liabilities, current maturities of long-term debts, borrowings under current liabilities and interest accrued but not due under current liabilities

For further details, please refer to the chapter titled '**Financial Information**' beginning on page 70.

AUDITOR QUALIFICATIONS

For further details on auditor qualifications, please refer to section titled '**Financial Statements**' beginning on page 70.

OUTSTANDING LITIGATIONS

Name	By / Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by Regulatory Authority	Amount Involved* (₹ in Lakhs)
Company	By	-	-	-	-	-
	Against	-	-	Yes	-	41.91
Promoter	By	-	-	-	-	-
	Against	-	-	Yes	-	1.46
Group Companies/Entities	By	-	-	-	-	-
	Against	-	-	-	-	-
Directors other than Promoters	By	-	-	-	-	-
	Against	-	-	-	-	-

*To the extent quantifiable

For further details, please refer to section titled '*Outstanding Litigations, Defaults and Material Developments*' beginning on page 157.

RISK FACTORS

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations which impact the business of the Company and other economic factors, please refer to the section titled '*Risk Factors*' beginning on page 21.

CONTINGENT LIABILITIES

For details of the contingent liabilities, as reported in the Financial Statements, please refer to the section titled '*Financial Statements*' beginning on page 70.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as reported in the Financial Statements, please refer to the section titled '*Financial Statements*' beginning on page 70.

FINANCING ARRANGEMENTS

There have been no financing arrangements whereby the Promoters, Members of the Promoter Group, our Directors and their relatives have financed the purchase of Equity Shares by any other person other than in the normal course of the business of the financing entity during the period of 6 (Six) months immediately preceding the date of this Letter of Offer.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Our Company has not issued any Equity Shares for consideration other than cash during the last 1 (One) year immediately preceding the date of filing this Letter of Offer.

SECTION III – RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Letter of Offer, including in ‘Business Overview’, ‘Industry Overview’, and ‘Financial Statements’ beginning on page 59, 53 and 70 respectively in this Letter of Offer, before making an investment in our Equity Shares.

The risks and uncertainties described below are not the only risks that we currently face; additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations, and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition, and results of operations could suffer, the trading price and the value of your investment in, our Equity Shares could decline, and you may lose all or part of your investment. To the extent the COVID-19 pandemic has adversely affected and may affect our business and financial results, it may also have the effect of increasing many of the other risks described in this section, such as those relating to non-payment or default by borrowers. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial, and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to ‘we’, ‘us’, ‘our’ refers to our Company.

Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

- 1. Some events may not be material individually but may be found material collectively,*
- 2. Some events may have material impact qualitatively instead of quantitatively, and*
- 3. Some events may not be material at present but may have a material impact in future.*

INTERNAL RISK FACTORS

- 1. We are dependent on our senior management team and the loss of key members or failure to attract skilled personnel may adversely affect our business. We believe we have a team of professionals to oversee the operations and growth of our business.**

Our performance is substantially dependent on the expertise and services of our senior management and other key personnel. We believe that the inputs and experience of our senior management and key managerial personnel are valuable for the development of business and operations and the strategic directions taken by the Company. We cannot assure that we will be able to retain any or all of the key members of our management team or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with the Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such key members of our management team could have an adverse effect on our business and our results of operations. The continued operations and growth of our business is dependent upon our ability to attract and retain personnel who have the necessary and required experience and expertise. Competition for qualified personnel with relevant industry expertise in India is intense. A loss of the services of our key personnel may adversely affect our business, results of operation and financial condition. For further details of our senior management team, please see the section titled ‘*Our Management*’ on Page 66.

- 2. Our Company's manufacturing activities are dependent on availability of skilled and unskilled labourers. In case of unavailability of such labourers and / or inability to retain such personnel, our business operations could be affected.**

Our Company has employed 73 employees on our payroll as on August 31, 2022. These employees include employees in the middle, bottom level management and also those employees who are part of manufacturing unit and office staff. Our operations and performance are depending on our ability to identify, attract and retain both skilled and unskilled labour. Owing to our manufacturing operations, our Company may have to appoint additional employees for the smooth functioning of the manufacturing unit. In case such labour is unavailable or we are unable to identify and retain such labourers, our business could be adversely affected.

3. We derive significant (75%) of our revenues from our top ten customers. The loss of revenues from such customers, in particular would have an adverse impact on our results of operations and financial condition.

Our top ten customers represented (75%) of our sales of Stainless-Steel Products, Annealed Nickel Products and other products for Fiscal 2022. We cannot assure you that we can maintain the historical levels of business from these clients/distributors or that we will be able to replace these clients/distributors in case we lose any of them. There can be no assurance that any of the agreements with these customers will be entered into and renewed upon expiration thereof, or that any such new agreements will be entered into on terms and conditions satisfactory to us. Furthermore, major events affecting our clients, such as changes in government policies and bankruptcy, change of management, mergers and acquisitions in other cases could impact our business. If any of our major clients becomes bankrupt or insolvent, we may lose some or all of our business from that client and our receivable from that client would increase and may have to be written off, impacting our income and financial condition.

4. Our Company has not entered into any long-term contracts with its customers and we typically operate on the basis of orders. Inability to maintain regular order flow would adversely impact our revenues and profitability.

Our Company has had long standing business relationships with various customers and have been supplying our products to several customers including repeat orders received from them. However, we have not entered into any fixed contracts with these customers and we cater to them on an order-by-order basis. As a result, our customers can terminate their relationships with us without any notice and, without consequence, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products. Our Company's customers have no obligation to place order with us and may either cancel, reduce or delay orders. The orders placed by our Company's customers are dependent on factors such as the customer satisfaction with the level of service that our Company provides, quality consistency, fluctuation in demand for our Company's products and customer's inventory management.

Although we place a strong emphasis on personal interaction by the top management with the customers, in the absence of contracts, any sudden change in the buying pattern of buyers could adversely affect the business and the profitability of our Company.

5. Our business is exposed to the changes in the technical and other requirements of our clients, which may require us to make major capital investments or may be beyond our capabilities.

Our business is exposed to changes in the technical and other requirements of our clients. Better and newer technologies being developed worldwide help optimize forging performance, reduce operational costs. Further, our customers may choose to include specific conditions with respect to age and condition of the machinery in the contracts we enter into which may require us to make further investments to meet such requirements.

6. Our Company has entered into certain related party transactions in the past and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

Our Company has entered into certain transactions with our related parties including our Promoter, Promoter Group, Directors and their relatives. While we believe that all such transactions have been conducted on the arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties.

Furthermore, it is likely that we may enter into related party transactions in the future. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority

shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition. For details, please refer '*Related Party Transactions*' on Page 20.

7. Fluctuation in foreign currency exchange rates could affect our financial condition and results of operations.

We have imported certain raw material, components and spare parts consumed from outside India in past and looking at the market conditions, we may import certain raw materials from outside India which could adversely affect our results of operations. Our business involves import transactions with foreign companies, as such we are exposed to fluctuations in foreign exchange rates between foreign and Indian currencies. We are exposed to the risk of incurring potential losses if currencies fluctuate significantly. Any such losses on account of foreign exchange fluctuations may adversely affect our results of operations. We cannot guarantee that we will not experience foreign exchange losses going forward and that such losses will not adversely affect our business, financial condition or results of operations. Foreign currency exposure that are not hedge by derivative instruments as on 31st March, 2022 is US \$ 806,718 & Euro € 375.9.

8. We constantly face a credit risk which may in turn affect our complete cycle adversely. Also, any customer dispute regarding our performance may amount in delay or withholding of payment to us.

Our business cycle is heavily dependent on timely payments being received from our customers. In case that our products are not delivered on timely basis and/or the quality of the products does not fulfill the requirements of our customer, it may lead to dissatisfaction. Further it may lead to consequence of customer dispute regarding our performance or workmanship and the customer may delay or withhold payment to us, which may result in materially affecting our business.

In case of such default in payment/ unforeseeable delay in payment from any of our customers our working capital cycle will be adversely affected. This may lead to lack of competitive advantage leading to an adverse effect on our business operations and profitability.

9. The deployment of the Net Proceeds from the Issue is based on management estimates and have not been independently appraised by any bank or financial institution and is not subject to any monitoring by any independent agency and our Company's management will have flexibility in utilizing the Net Proceeds from the Issue.

Our Company intends to primarily use the Net Proceeds from the Issue towards working capital as described in '*Objects of the Issue*' on page 43. In terms of Regulation 16 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of ₹ 100 crores. The management of our Company will have discretion to use the Net Proceeds from the Issue, and investors will be relying on the judgment of our Company's management regarding the application of the Net Proceeds from the Issue. Our Company may have to revise its management estimates from time to time and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section '*Risk Factors*', may limit or delay our Company's efforts to use the Net Proceeds from the Issue to achieve profitable growth in its business.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Issue, at a price and manner as specified in Chapter VI-A of the SEBI ICDR Regulations pursuant to the SEBI ICDR (Second Amendment) Regulations, 2016 dated February 17, 2016. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilization of our Net Proceeds, even if such variation is in our interest.

Further, we cannot assure you that our Promoters or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by SEBI. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilization of Net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Issue and our business and financial results may suffer.

10. If we are unable to obtain the necessary funds for our growth plans, our business and results of operations may be adversely affected.

There can be no assurance that debt or equity financing or our internal accruals shall be available or sufficient to fund our growth plans. Financing limitations may restrict our ability to obtain required capital on acceptable terms in addition to other uncertainty. Due to our inability to raise sufficient capital to finance our growth plans, the business of our Company and results of operations may be adversely affected.

11. The price of the Equity Shares may be highly volatile after the Issue.

The price of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors including volatility in the Indian and global securities market, our operations and performance, performance of our competitors and perception in the market about investments in the our industry, adverse media reports on us or the industry, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies and significant developments in India's fiscal and environmental regulations. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently.

12. As the Equity Shares of our Company are listed on the BSE & NSE, our Company is subject to certain obligations and reporting requirements under the SEBI (LODR) Regulations and comply with other SEBI Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.

The Equity Shares of our Company are listed on BSE & NSE, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI (LODR) Regulations, to the extent applicable, and have to adhere to and comply with other applicable Regulations framed by SEBI. Our Company endeavors to comply with all such obligations and reporting requirements, any non-compliance which might have been committed by us, may result into Stock Exchanges and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and the rules and regulations made there under and applicable SEBI Circulars. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

13. We require to obtain, maintain and/or renew certain registrations, approvals, licenses and permission in ordinary course of our business, and failure to do so, in a timely manner or at all, we may be unable to fully or partially operate our businesses and our results of operations may be adversely affected.

We require certain approvals, licenses, registrations and permissions for our operations. For further details, please refer to section titled '*Government and Other Approvals*' beginning on page 160. While, we believe we will be able to obtain, maintain and renew such approvals or permits as required, there can be no assurance that we can do so in the timeframes anticipated by us, or at all. If we fail to obtain, maintain or renew any of these approvals or permits in a timely manner or at all, our operations and expansion plans may be interrupted, which could adversely affect our growth strategy, business and results of operations. Furthermore, our approvals and permits are subject to numerous conditions, some of which are onerous and require us to make substantial expenditures. If we fail to comply or a regulator alleges that we have not complied with these conditions, our business and results of operations could be adversely affected.

14. Employee misconduct, errors or fraud could expose us to business risks or losses that could adversely affect our business prospects, results of operations and financial condition.

Employee misconduct, errors or frauds could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such employee misconduct includes breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes, and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. In addition, losses caused on account of employee misconduct or misappropriation of petty cash expenses and advances may not be recoverable, which we may result in write-off of such amounts and thereby adversely affecting our results of operations. Our employees may also commit errors that could subject us to

claims and proceedings for alleged negligence, as well as regulatory actions in which case, our reputation, business prospects, results of operations and financial condition could be adversely affected.

15. If our current or future employees were to unionize or our labour costs were to increase, our results of operations may be adversely affected.

Our certain employees are currently represented by their association namely 'Kamgaar Union' bearing registration no. KAUA/THANE/1848/2021 and currently we believe that our unionized operations have advantages over non-unionized competitors in providing reliable and cost-competitive customer services, including greater efficiency and flexibility.

However, we cannot assure you that the same will prevail in future and that they will not otherwise seek higher wages and enhanced employee benefits. This unionization of our employees could result in an increase in wage expenses and our cost of employee benefits, limit our ability to provide certain services to our customers, cause customers to limit their use of our services due to the increased potential for strikes or other work stoppages and result in increased expenditures in connection with the collective bargaining process, any of which could have a material adverse effect on our business, financial condition and results of operations.

Although we generally do not engage these labourers directly, it is possible under Indian law that we may be held responsible for wage payments to labourers engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments will adversely affect us, our business, financial condition and results of operations.

Further, there is a possibility that the labour costs increase disproportionately due to increase in wage/salary demand. In this event, if we are unable to pass on the increased costs to our customers, our business operations and financial condition may be adversely affected.

16. Any failure in our quality control processes may adversely affect our business, results of operations and financial condition.

We may face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations. While we ensure that our products are put through the best quality control checks, they might have certain quality issues or undetected errors, due to defects in manufacture of parts which are used in the products. We have implemented quality control processes for our raw materials and finished goods on the basis of our internal quality standards and policies. However, we cannot assure you that our quality control processes will not fail, or the quality tests and inspections conducted by us will be accurate at all times. Any shortcoming in the raw materials used in the products or any shortcoming in the production of our products due to failure of our quality control procedures, negligence and human error or otherwise, may result in deficient products. In the event the quality of our products is sub-standard or our products suffer from defects and are returned by our customers due to quality complaints, we may be compelled to take back the sub-standard products and reimburse the cost paid by our customers. Such quality lapses may strain our longstanding relationship with our customers and our reputation and brand image may suffer, which in turn may adversely affect our business, results of operations and financial condition. Our customers may lose faith in the quality of our products and could in turn refuse to further deal in our products, which may have a severe impact on our revenue and business operations. We also face the risk of legal proceedings and product liability claims being brought against us by our customers for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs.

17. We sell our products in highly competitive markets and our inability to compete effectively, market our products relative to our competitors may lead to lower market share, and adversely affect our operations and profitability

Our Company operates in highly competitive markets and faces competition; however, it is not possible to compute the present market share of our Company since the Indian Further, the competition in these markets is based primarily on demand creation and as a result, to remain competitive in our markets, we must continuously strive to effectively market our products. In the event of price competition from our competitors, we may be required to reduce the price of our products while maintaining quality standards and our Company may not always be able to do so. Some of our competitors may have greater financial resources, generate higher



revenues, and therefore, be able to better respond to market changes and shifts in consumer spending patterns and changes in consumer sentiments and tastes.

They also may be in a better position than us to sustain losses in revenue due to pricing pressures. Accordingly, we cannot be certain that we will be able to compete effectively with these competitors or that we will not lose customers to these competitors. If we are not able to compete effectively, our business, results of operations and financial condition could be adversely affected.

18. The unexpected loss, slowdown or shutdown of operations at any of the Company's manufacturing units could have a material adverse effect on our results of operations and financial condition.

Our Company has a manufacturing unit situated at Palghar. Our manufacturing unit is subject to operating risks, such as (a) the risk of substantial disruption or shutdown due to unexpected breakdowns or failure of equipment, facility obsolescence or disrepair, power supply interruptions, natural disasters, storms, fires, explosions, earthquakes, floods and other catastrophic events, actual, potential or suspected epidemic outbreaks, terrorist attacks and wars, labour disputes, strikes, lock-outs, loss of services of our external contractors, and industrial accidents, (b) performance below expected levels of output or efficiency, and (c) obsolescence. Moreover, catastrophic events could also destroy any inventory located at our manufacturing unit. The occurrence of any unscheduled, unplanned or prolonged disruption of our manufacturing operations could result in a temporary or long-term closure of any of our single manufacturing unit, which could have material adverse effect on our sales and revenues from operations in such period.

We have faced such instances in past, during the year 2015, where operations became unviable due to inadequate and expensive power including company being referred to Board of Industrial and Financial Reconstruction. There were delay in manufacturing due to lack of Oxygen Cylinders which is a crucial element in forging in the year 2020 due to COVID Pandemic.

No assurance can be given that one or more of the factors mentioned above will not occur, which could have a material adverse effect on our results of operations and financial condition. Although the Company takes reasonable precautions to minimize the risk of any significant operational problems at its manufacturing facilities, no assurance can be given that one or more of the factors mentioned above will not occur, which could have a material adverse effect on the Company's results of operations and financial condition.

19. The Company's manufacturing plants are primarily concentrated in Palghar and any adverse developments affecting this region could have an adverse effect on the Company's business, results of operation and financial condition.

We have and operate Stainless Steel / Alloy Steel / Carbon Steel / Nickel bars manufacturing, which are concentrated in Village Ghonsai, Tal. Wada. Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the Central or State or Local government in the Maharashtra state in India could adversely affect, amongst others, manufacturing operations and transport operations, and require us to take necessary actions to mitigate the problem including any modification of our business strategy or modification/suspension of our operations. Any such adverse development affecting continuing operations at our manufacturing plants could result in significant loss due to an inability to meet customer contracts and production schedules, which could materially affect our business reputation within the industry. The occurrence of, or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operation, financial condition, cash flows and future business prospects.

20. Accidents at our facilities may lead to public liability consequences.

Though we take all possible steps to ensure adoption and compliance with high standards of safety and fire control at our facilities, we cannot assure you that these mechanisms will be adequate to contain safety risks that may arise in the future. Though we maintain public liability insurance cover for our facilities, in the event of an accident, we may be exposed to civil, tort and criminal liabilities.

21. Our insurance coverage may not adequately protect us against certain operating hazards and this may have a material adverse effect on our business.

Operating and managing a business involves many risks that may adversely affect our Company's operations, and the availability of insurance is therefore important to our operations. Our Company believes that our insurance coverage is generally consistent with industry practice. However, to the extent that any uninsured risks materialize or if it fails to effectively cover it for any risks, we could be exposed to substantial costs and losses that would adversely affect financial condition. In addition, our Company cannot be certain that the coverage will be available in sufficient amounts to cover one or more large claims, or that our insurers will not disclaim coverage as to any claims. A successful assertion of one or more large claims against our Company that exceeds our available insurance coverage or that leads to adverse changes in our insurance policies, including premium increases or the imposition of a large deductible or coinsurance requirement, could adversely affect our financial condition and results of operations.

22. We are required to comply with environmental laws and regulations that could cause us to incur significant costs.

Our operations are subject to various international, national, state and local laws and regulations, which are subject to laws specific to the industry in which we operate, as well as laws generally governing business in India, including those relating to the protection of the environment and occupational health and safety, including those governing the generation, handling, storage, use, management, transportation and disposal of, or exposure to, environmental pollutants or hazardous materials resulting from our business operations. While we are not aware of any outstanding material claims or obligations, we may incur substantial costs, including clean up or remediation costs, fines and civil or criminal sanctions, and third-party property damage or personal injury claims, as a result of violations of or liabilities under environmental or health and safety laws or non-compliance with permits required at our facilities, which, as a result, may have an adverse effect on our business and financial condition.

23. Our business is substantially affected by prevailing economic conditions in India.

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include: • any increase in Indian interest rates or inflation; • any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India; • prevailing income conditions among Indian consumers and Indian corporations; • volatility in, and actual or perceived trends in trading activity on, India's principal Stock Exchanges; • changes in India's tax, trade, fiscal or monetary policies; • political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; • prevailing regional or global economic conditions, including in India's principal export markets; and • other significant regulatory or economic developments in or affecting India or its forging industry. • any adverse fluctuations in currency points. Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business and financial performance and the price of the Equity Shares.

24. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

Any inability to declare dividend may adversely affect the trading price of our Equity Shares. Our Board has recommended dividend for the shareholders in past. Our future ability to pay dividends and the amount of any such dividends, if declared, will depend upon a number of factors, including our future earnings, financial condition, cash flows, planned capital expenditures, working capital requirements, results of operations and financial condition and other factors considered relevant by our Board of Directors and shareholders. We cannot assure you that we will generate sufficient income to cover our operating expenses and shall be able to pay dividends. Further, dividends distributed by our Company will attract dividend distribution tax and may be subject to other requirements prescribed under law. There is no assurance that we will declare and pay, or shall have the ability to declare and pay, any dividends on Equity Shares in the future.

- 25. We have not commissioned an industry report for the disclosures made in the section titled ‘Industry Overview’ and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.**

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the section titled ‘*Industry Overview*’ beginning on page 53. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Letter of Offer. Further, the industry data mentioned in this Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Letter of Offer in this context.

- 26. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects / schedule of implementation of this Issue which would in turn affect our revenues and results of operations.**

The funds that we receive would be utilized for the Objects of the Issue as has been stated in the Chapter ‘*Objects of the Issue*’ on page 43. The proposed schedule of implementation of the objects of the Issue is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

ISSUE SPECIFIC RISKS

- 27. Any future issuance of Equity Shares may dilute your shareholdings and sale of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.**

Any future issuances of equity or convertible instruments by the Company may lead to the dilution of investors’ shareholdings in the Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this Issue, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could significantly impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of the Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

- 28. Our Company will not distribute the Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.**

Our Company will dispatch this Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the “Issue Materials”) to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

- 29. SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, January 19, 2021, April 22, 2021 and October 01, 2021 streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Letter of Offer.**

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020, January 19, 2021, April 22, 2021, and October 01, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see ‘*Terms of the Issue*’ on page 170.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

30. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholders”) may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

31. Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.

Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Rights Equity Shares to the Applicant’s demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant’s decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants’ ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

32. Any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.

Any instance of disinvestments of equity shares by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

33. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchanges on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

34. There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

35. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, any company incorporated in India must offer its holders of equity shares preemptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

36. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

37. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights

under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

EXTERNAL RISK FACTORS

38. Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.

Our business and industry are regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may have to incur costs or may be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

39. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short-term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long-term capital gains and is taxable at 10%, in excess of Rs. 1,00,000. Any long-term gain realized on the sale of equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

40. Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include:

- Custom duties (including anti-dumping duties, etc.) on imports of products;
- Goods and Service Tax

These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

41. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

42. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and Indian Metal & Mining Industry contained in the letter of offer.

While facts and other statistics in the letter of offer relating to India, the Indian economy and the Indian Metal & Mining Industry has been based on various government publications, reports from government agencies, India Brand Equity Foundation and industry publications etc. that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled

'Industry Overview' beginning on page 53. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

43. Global economic, geo political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.

Global economic and geo political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

44. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

45. The extent and reliability of Indian Infrastructure could adversely affect the Company's results of operations and financial condition.

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt the Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt the Company's business operations, which could have an adverse effect on its results of operations and financial condition.

46. Natural calamities could have a negative impact on the Indian economy and cause the Company's business to suffer.

Our Country in the past has experienced natural calamities such as earthquakes, tsunami, floods etc. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

47. Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks in India, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect the Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

48. The demand and pricing in the steel industry is volatile and are sensitive to the cyclical nature of the industries it serves. A decrease in steel prices may have an adverse effect on our business, results of operations, prospects and financial condition.

Sales prices and volumes in the manganese and iron ore mining industry depend mainly on the prevailing and expected level of demand for manganese and iron ore in the steel industry. During periods of sluggish or declining regional or world economic growth, demand for steel products generally decreases, which usually leads to corresponding reductions in demand for manganese and iron ore. Historically, international prices for manganese and iron ore has been volatile and subject to wide fluctuations in response to relatively minor changes in supply and demand, market uncertainties, the overall performance of the global or regional economies, the related cyclical nature in the steel industry and various other factors beyond our control. The price of manganese and iron ore is directly affected by the steel industry, which is cyclical in nature. The prices of steel products are influenced by many factors, including demand, worldwide production capacity, capacity- utilization rates, raw-material costs, exchange rates, trade barriers and improvements in steel-making processes.

Any significant decrease in demand for steel products or decline in the price of these products could result in reduced manganese and iron ore demand and manganese and iron ore prices which could significantly reduce our revenues, thereby materially and adversely affecting our business, financial condition, results of operations and prospects.

SECTION IV – INTRODUCTION

THE ISSUE

This Issue has been authorised by way of a resolution passed by our Board of Directors on August 12, 2022 in pursuance of Section 62(1)(a) of the Companies Act, 2013.

The following is a summary of the Issue, which should be read in conjunction with, and is qualified in its entirety by, more detailed information in section titled ***‘Terms of the Issue’*** on page 170.

Equity Shares Outstanding Prior To The Issue	1,50,00,000 Equity Shares;
Right Shares Offered In The Issue	Up to 60,00,000 Right Shares*;
Equity Shares Outstanding After the Issue (Assuming Full Subscription for And Allotment of the Rights Entitlement)	2,10,00,000 Equity Shares;
Rights Entitlement	2 Rights Equity Shares for every 5 fully paid-up Equity Shares held on the Record Date;
Record Date	Thursday, October 20, 2022;
Face Value Per Equity Share	₹ 10/- (Rupee Ten Only) each;
Fractional Entitlement*	The Right Shares are being offered on a rights basis to existing Eligible Shareholders in the ratio of 2 (Two) Right Shares for every 5 (Five) Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Shareholders is less than 5 (Five) Equity Shares or is not in the multiple of 5 (Five) Equity Shares, the fractional entitlements of such Eligible Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Security if they apply for additional Right Shares over and above their Rights Entitlements, if any, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for.
Issue Price Per Equity Share	₹ 55/- (Rupees Fifty Five Only) including a premium of ₹ 45/- (Rupees Forty Five Only) per Rights Share.
Issue Size	Upto 60,00,000 Fully Paid Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ 55/- (Including a premium of ₹ 45/-) per Rights Equity Share not exceeding an amount of ₹ 3300.00 Lakhs;
Terms Of The Issue	Please refer to the section titled <i>‘Terms of the Issue’</i> beginning on page 170;
Use Of Issue Proceeds	Please refer to the section titled <i>‘Objects of the Issue’</i> beginning on page 43;
Security Code/ Scrip Details	ISIN: INE788H01017 BSE Scrip Code: 532847 NSE Scrip ID: HILTON ISIN for Rights Entitlements: INE788H20017

**For Right Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Shareholders is less than 5 (Five) Equity Shares or is not in multiples of 5 (Five), the fractional entitlement of such Eligible Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of 1 (One) additional Rights Share each, if such Eligible Shareholders have applied for additional Right Shares over and above their Rights Entitlements, if any.*

TERMS OF PAYMENT

AMOUNT PAYABLE PER RIGHT EQUITY SHARE	FACE VALUE	PREMIUM	TOTAL
On Application	10/-	45/-	55/-
Total	10/-	45/-	55/-

ISSUE SCHEDULE

Issue Opening Date	Thursday, November 03, 2022
Last date for On Market Renunciation of Rights*	Friday, November 04, 2022
Issue Closing Date**	Friday, November 11, 2022

**Eligible Equity Shareholders are requested to ensure that renunciation through off- market transfer is completed in such manner that the Rights Entitlement are credited to the demat account of the Renouncees on or prior to the Issue Closing Date*

***The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

GENERAL INFORMATION

Our Company was incorporated as a “Hilton Metal Forging Limited” on July 21, 2005 as a public limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation issued the Registrar of Companies, Mumbai upon conversion of a partnership firm “M/s. Hitlon Forge”. Our Company received its certificate of commencement of business dated September 09, 2005. Our Company was listed on May 24, 2007 on BSE and NSE, bearing Scrip ID ‘532847’, Scrip Code ‘HILTON’ respectively and ISIN ‘INE788H01017’. The Corporate Identification Number of our Company is L28900MH2005PLC154986.

REGISTERED OFFICE AND COMPLIANCE OFFICE OF OUR COMPANY

HILTON METAL FORGING LIMITED

Registered Office Address: Unit B 510 Western Edge II Village Nr. W.E. Highway, Magathane, Borivali East, Mumbai, Maharashtra - 400066

Corporate Office Address: 204, Tanishka Building, Akurli Road, Kandivali – East, Mumbai, Maharashtra – 400101

Tel: 022- 4042 6565

Email: info@hiltonmetal.com

Website: www.hiltonmetal.com

CIN: L28900MH2005PLC154986

Registration Number: 154986

ADDRESS OF THE REGISTRAR OF COMPANIES

THE REGISTRAR OF COMPANIES, MUMBAI

Address: Registrar of Companies, 100, Everest, Marine Drive, Mumbai - 400002, Maharashtra.

Contact No.: 022-22812627/22020295/22846954

Email id: roc.mumbai@mca.gov.in

BOARD OF DIRECTORS

NAME	DESIGNATION	DIN	ADDRESS
Yuvraj Hiralal Malhotra	Executive Director, Chairperson & Managing Director	00225156	3C/1701, Whispering Palms Akurli Road, Opp. Mahindra and Mahindra Gate No.2 Lokhandwala Township, Kandivali East, Mumbai, Maharashtra - 400101
Sanjay Jain	Non-executive Independent Director	00152758	L-2, Priya Apptt., D Block, Near Khushi Apptt., Vikas Puri New Delhi, West Delhi, Delhi – 110018
Sandeep Ravindra Shah	Non-executive Independent Director	06402659	A-1 Harmony, Ashok Chakravarti Road, Near Bonanza Estate, Damodar Wadi, Mumbai, Kandivali East, Maharashtra - 400101
Sukesh Kumar Joshi	Non-executive Independent Director	08153689	Flat No. 1201, Building No – 3C, Whispering Palms, Lokhandwala Township, Opp Mahendra and Mahendra Tractor, Kandivali East, Mumbai, Maharashtra - 400101
Prithivish Sushil Mundra	Non-executive Independent Director	08529151	B/206, Vishranti Apartment, Anand Nagar, Near Renuka Niwas Anand Nagar, Vasai Road West Vasai Bassein Road Vasai, Thane, Maharashtra - 401202
Nikita Natwarlal Moradia	Non-executive Independent Director	08530305	A -59/302, Shanti Nagar, Near Jain Mandir, Sector – 3, Thane, Maharashtra - 401107

For further details of our Board of Directors, please refer to the section ‘*Our Management*’ beginning on page 66.

COMPANY SECRETARY AND COMPLIANCE OFFICER

MRS. RICHA SHAH

Address: Unit B 510 Western Edge II Village Nr. W.E. Highway, Magathane, Borivali East, Mumbai, Maharashtra - 400066

Tel No: +91-9619667638

Email: secretarial@hiltonmetal.com

Website: www.hiltonmetal.com

CHIEF FINANCIAL OFFICER**MR. SIDDHARTH JAIN**

Address: Unit B 510 Western Edge II Village Nr. W.E. Highway,
Magathane, Borivali East, Mumbai, Maharashtra - 400066

Tel No: +91-9920946756

Email: siddharthjainn93@gmail.com

Website: www.hiltonmetal.com

STATUTORY AUDITOR OF OUR COMPANY**M/S. ANIL BANSAL & ASSOCIATES CHARTERED ACCOUNTANTS**

Address: 1001, IJMIMA Complex, Raheja's Metroplex, Link Road,
Malad (West), Mumbai - 400064

Tel No: 022-49795471

Email: info@caanilbansal.com / anilbansal1001@gmail.com

Contact Person: Mr. Anil Bansal

Membership No.: 043918

Firm Registration No.: 100421W

Peer Review No.: 012744

LEAD MANAGER TO THE ISSUE**KUNVARJI FINSTOCK PRIVATE LIMITED**

Address: B-Wing, Siddhivinayak Towers, Nr DAV School, Next to Kataria House,
Off SG Highway, Makarba, Ahmedabad - 380051

Tel: +91 79 6666 9000

Email: niraj.thakkar@kunvarji.com

Website: www.kunvarji.com

Investor Grievance E-mail: info@kunvarji.com

Contact Person: Mr. Niraj Thakkar / Mr. Prasann Bhatt

SEBI Registration Number: INM000012564

REGISTRAR TO THE ISSUE**BIGSHARE SERVICES PRIVATE LIMITED**

Address: Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri (East) Mumbai – 400093.

Tel: +022-62638200/22

Email: rightsissue@bigshareonline.com

Investor grievance: investor@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Mr. Vijay Surana

SEBI Registration No.: INR000001385

BANKER TO THE ISSUE/ REFUND BANK**STATE BANK OF INDIA LIMITED**

Address: Capital Market Branch 3rd Floor, Mumbai Main branch building,
Mumbai Samachar Marg, Fort, Mumbai -400023

Tel: +91-9987078973/022-22719102

Email: sbi.11777@sbi.co.in / nib.11777@sbi.co.in

Website: www.onlinesbi.sbi

Contact Person: Ms. Neetha Shetty

SEBI Registration No.: INBI00000038

BANKER TO OUR COMPANY

STATE BANK OF INDIA LIMITED

Address: 144 Majestik Shopping Centre, Girgaon, Charni Road, Mumbai- 400004

Tel: +91-9867372236

Email: pushpa.yadav@sbi.co.in

Website: www.sbi.co.in

Contact Person: Mrs. Pushpa. C. Yadav

LEGAL ADVISOR TO THE ISSUE

B. T. GADHAVI & ASSOCIATES

Address: 401,4th Floor, Sachet-1, B/H Om Complex, B/S City Center, Swastik Cross Road, Ahmedabad – 380009

Tel: +91 9687275908

Email: btgadhavi78@gmail.com

Contact Person: B. T. Gadhavi

ADVISOR TO THE ISSUE

GRASSROOT ENTERPRISES

Address: 1, Jay Jyoti Building, Ratan Nagar, Borivali, Mumbai - 400068

Tel: +91 9909913126

Email: namaste@grassrootsentp.com

Website: www.grassrootsenterprises.co

Contact Person: Mr. Sarthak Jain

CONTACT PERSON FOR GRIEVANCES RELATING TO ISSUE RELATED MATTER

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Right Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, please refer to the section titled *'Terms of the Issue'* beginning on page 170.

EXPERT

Except as stated below, our Company has not obtained any expert opinion:

Our Company has received a written consent dated September 10, 2022 from our Statutory Auditors, M/s. Anil Bansal & Associates Chartered Accountants, to include their name in this Letter of Offer and as an 'expert', as defined under Section 2 (38) of the Companies Act, 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of the Audited Financial Statements and the statement of special tax benefits dated September 10, 2022, included in this Letter of Offer and such consent has not been withdrawn as of the date of this Letter of Offer.

SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Shares Allotted.

ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Last Date for credit of Rights Entitlements	Monday, October 31, 2022
Issue Opening Date	Thursday, November 03, 2022
Last Date for On Market Renunciation of Rights Entitlements[#]	Friday, November 04, 2022
Issue Closing Date*	Friday, November 11, 2022
Finalization of Basis of Allotment (on or about)	Friday, November 18, 2022
Date of Allotment (on or about)	Monday, November 21, 2022
Date of credit (on or about)	Friday, November 25, 2022
Date of listing (on or about)	Wednesday, November 30, 2022

[#]Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date;

**Our Board or a duly authorized committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date or who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Offer not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., Monday, November 7, 2022, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Date, i.e., Wednesday, November 9, 2022.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before the Issue Closing Date. For details on submitting Application Forms, please refer to the section titled ***‘Terms of the Issue’*** beginning on page 170.

The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar to the Issue at www.bigshareonline.com after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see ‘Credit of Rights Entitlements in demat accounts of Eligible Shareholders’ under the section titled ***‘Terms of the Issue’*** beginning on page 170.

Please note that if no Application is made by the Eligible Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under this Issue.

CREDIT RATING

As this proposed Issue is of Equity Shares, the appointment of a credit rating agency is not required.

DEBENTURE TRUSTEE

As this proposed Issue is of Right Equity Shares, the appointment of debenture trustee is not required.

MONITORING AGENCY

Since the Issue size does not exceed ₹ 10,000 Lakhs, there is no requirement to appoint a monitoring agency in relation to the Issue in terms of SEBI (ICDR) Regulation.

APPRAISING ENTITY

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

UNDERWRITING

This Issue is not underwritten, and our Company has not entered into any underwriting arrangement.

FILING

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 w.e.f. September 28, 2020, has amended Regulation 3 (b) of the SEBI (ICDR) Regulations as per which the threshold of the rights issue size under Regulation 3 of the SEBI (ICDR) Regulations has been increased from ₹ 10,00,00,000.00/- (Rupees Ten Crores Only) to ₹ 50,00,00,000.00/- (Rupees Fifty Crores Only). Since the size of this Issue falls under the said threshold, the Letter of Offer had been filed with the BSE and NSE and will not be filed with SEBI.

MINIMUM SUBSCRIPTION

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under **“Terms of the Issue”** on page 170.

CAPITAL STRUCTURE

The capital structure of our Company and related information as on date of this Letter of Offer, prior to and after the proposed Issue, is set forth below:

(Amount in ₹ Lakhs, except data relating to shares)

PARTICULAR	AGGREGATE NOMINAL VALUE	AGGREGATE VALUE AT ISSUE PRICE
Authorized Equity Share capital		
2,50,00,000 Equity Shares of face value of ₹ 10 each	2,500.00	NA
Issued, subscribed and paid-up Equity Share capital before this Issue		
1,50,00,000 Equity Shares of face value of ₹ 10 each	1,500.00	NA
Present Issue in terms of this Letter of Offer		
60,00,000 Equity Shares of face value of ₹ 10 each at a premium of ₹ 45/-, i.e. at a price per Equity Share of ₹ 55/-	600.00	3300.00
Issued, subscribed and paid-up Equity Share capital after the Issue		
2,10,00,000 Fully Paid Equity Shares of face value of ₹ 10 each	2,100.00	NA
Subscribed and paid-up Equity Share capital		
2,10,00,000 fully paid-up Equity Shares of face value of ₹ 10 each	2,100.00	NA
Securities premium account		
Before the Issue	3344.86	NA
After the Issue	6044.86	

Notes:

- The present Issue has been authorized by our Board of Directors pursuant to the resolution passed in their meeting conducted on August 12, 2022.
- Assuming full subscription for allotment of Rights Equity Shares;
- Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses;
- Assuming full subscription by the Eligible Equity Shareholders of the Rights Equity Shares.

NOTES TO THE CAPITAL STRUCTURE

- The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer;
- At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
- As on the date of this Letter of Offer, our Company has not issued any special voting Right Shares and there are no outstanding Equity Shares having special voting rights;
- The ex-rights price arrived in accordance with the formula prescribed Regulation 10(4)(b) of the SEBI (SAST) Regulations, in connection with the Issue is ₹ 62.04/- (Rupees Sixty Two and Zero Four Paise Only);
- Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares**

As on the date of this Letter of Offer, our Company has allotted 28,00,000 Equity share warrants which provides right to convert the Equity warrants into equity shares.

6. Details of stock option scheme of our Company

As on the date of this Letter of Offer, our Company does not have a stock option scheme.

7. Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares:

NAME	TYPE	NO OF SHARES HELD	STATUS
Mr. Yuvraj Hiralal Malhotra	Promoter	5387559	Lock-in (Preferential Allotment)
Mrs. Diksha Yuvraj Malhotra	Promoter	344871	Lock-in (Preferential Allotment)
Mr. Mohak Yuvraj Malhotra	Promoter Group	1065	Lock-in (Preferential Allotment)

8. Details of Equity Shares acquired by the promoter and promoter group in the last one year prior to the filing of this Letter of Offer

NAME	NO. OF SHARES PURCHASED	DATE OF PURCHASE	BALANCE
Mr. Mohak Yuvraj Malhotra	999	31.01.2022	999
Mr. Mohak Yuvraj Malhotra	66	25.02.2022	1065

9. Intention and extent of participation by our promoter and promoter group

The Promoters and Promoter Group of our Company through its letters dated September 9, 2022, have confirmed that they intend to subscribe in part or to the full extent of its Rights Entitlement in this Issue and to the extent of unsubscribed portion (if any) of this Issue. The Promoter and Promoter Group may renounce their Rights Entitlement their Rights Entitlement within the Promoter and Promoter Group and/or to the third party (ies) in the open market.

Further, the Promoters and certain members of our Promoter Group may also apply for additional Equity Shares along with their Rights Entitlement and/or renunciation subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations. Such subscriptions of Equity Shares over and above its Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above its current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI (SAST) Regulations and shall be exempted subject to fulfillment of the conditions of Regulation 10 of the SEBI (SAST) Regulations. The Promoters acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after this Issue does not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI (LODR) Regulations.

In case this Issue remains unsubscribed, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

No person connected with this Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in this Issue, except for fees or commission for services rendered in relation to the Issue;

10. Shareholding Pattern of our company

The shareholding pattern of our Company as on September 30, 2022 is as follows:

- The details of the shareholding pattern of our Company as on September 30, 2022 can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/hilton-metal-forging-ltd/hilton/532847/shareholding-pattern/> and NSE at https://www1.nseindia.com/corporates/corporateHome.html?id=spatterns&radio_btn=company¶m=HILTON.
- The details of shareholders of our Company holding 1% or more of the paid-up capital as on September 30, 2022 can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpdrPerCent.aspx?scripcd=532847&qtrid=114.01&CompName=HILTON%20METAL%20FORGING%20LTD.&QtrName=25-Aug-22&Type=TM> and NSE at https://www1.nseindia.com/corporates/corporateHome.html?id=spatterns&radio_btn=company¶m=HILTON.

SECTION V – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds towards the following objects:

1. Working Capital Requirements; and
2. General Corporate Purposes.

(Collectively, referred to herein as the “Objects”).

The main object clause of the Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

ISSUE PROCEEDS

The details of Issue Proceeds are set forth in the following table:

(₹ in lakhs)	
PARTICULARS	AMOUNT
Gross Proceeds from the Issue*	3,300.00#
Less: Estimated Issue related Expenses	(30.95)
Net Proceeds from the Issue	3269.05

**Assuming full subscription in the Issue and subject to the finalisation of the basis of Allotment and the allotment of the Rights Equity Shares.*

**The Issue size will not exceed ₹ 3300.00 Lakhs. If there is any reduction in the amount on account of or at the time of finalisation of issue price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.*

REQUIREMENT OF FUNDS AND UTILISATION OF NET PROCEEDS

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

(₹ in lakhs)			
SR. NO.	PARTICULARS	AMOUNT TO BE DEPLOYED FROM NET PROCEEDS	ESTIMATED DEPLOYMENT OF NET PROCEEDS FOR THE FINANCIAL YEAR ENDING MARCH 31, 2023
1.	Working Capital Requirements	2469.00	2469.00
2.	Funding Expenditure for General Corporate Purposes#	800.05	800.05
	Total Net Proceeds**	3269.05	3269.05

#The amount to be utilized for General corporate purposes will not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds;

***Assuming full subscription in the Issue and subject to the finalisation of the basis of Allotment and the allotment of the Rights Equity Shares.*

The above stated fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution or independent agency. Our Company’s funding requirements and deployment schedules are subject to revision in the future at the discretion of our Board. In case the Net Proceeds are not completely utilised in a scheduled financial year due to any reason, the same would be utilised (in part or full) in the next financial year / subsequent financial year as may be determined by our Company, in accordance with applicable law. For further details, see ***‘Risk factors - The deployment of the Net Proceeds from the Issue is based on management estimates and have not been independently appraised by any bank or financial institution and is not subject to any monitoring by any independent agency and our Company’s management will have flexibility in utilizing the Net Proceeds from the Issue’ on page 23.***

In the event of any shortfall of funds for any of the Object proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the Object where such shortfall has arisen, subject to availability of funds and compliance with applicable laws. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for future growth opportunities including funding other existing Objects, if required and will be used towards general corporate purposes to the extent that the total amount

to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds from the Issue in accordance with applicable law.

MEANS OF FINANCE

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance under Regulation 62(1)(c) of SEBI ICDR Regulations through verifiable means towards at least 75.00% (Seventy-Five Percent) of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue.

The fund requirement and deployment are based on our management estimates and has not been appraised by any bank or financial institution or any other independent agencies. The fund requirement above is based on our current business plan and our Company may have to rise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest or exchange rate fluctuations. Consequently, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management.

DETAILS OF THE OBJECTS OF THE ISSUE

The details in relation to objects of the Issue are set forth herein below:

1. Working Capital Requirements:

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals. We operate in a highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change.

The details of estimation of Working Capital Requirement are as under:

(₹ in lakhs)			
SR. NO.	PARTICULARS	2021-22	2022-23
I.	Current Assets		
	Inventories	5,464.16	6314.16
	Trade Receivables	138.52	1481.36
	Secured Deposits	25.29	30.15
	Cash & Cash Equivalents	94.48	204.48
	Short Term Loans & Advances	-	340.72
	Total Current Assets	5,722.45	8370.87
II.	Current Liabilities		
	Borrowings	3,876.94	3845.74
	Trade Payables	206.98	324.58
	Other Financial Liabilities	294.97	414.38
	Short Term Provisions	12.84	15.97
	Total Current Liabilities	4,391.73	4600.67
III.	Working Capital Requirements [(I) - (II)]	1,330.72	3770.2
	Proceeds from the Issue	-	2,469.00
	Working Capital Limit from Bank		
	Internal Accruals		

2. General Corporate Purpose:

The remaining Net Proceeds, if any, shall be utilized towards general corporate purposes and the amount to be utilized for general corporate purposes shall not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds. Such utilization towards general corporate purposes shall be to drive our business growth, including, amongst other things including but not limited funding our growth opportunities, strengthening marketing capabilities

and brand building exercises, and strategic initiatives and any other purpose as permitted by applicable laws; subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Board will have flexibility in utilizing surplus amounts, if any.

3. Expenses for the Issue:

The total Issue related expenses are estimated to be approximately ₹ 30,95,000/- (Rupees Thirty Lakhs Ninty Five Thousand only). The Issue related expenses include fees payable to the Lead Manager and legal counsel, amounts payable to regulators including the SEBI, the stock exchanges, Registrar's fees, printing and distribution of issue stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The break-down of the estimated Issue expenses is disclosed below.

Activity	Estimated Expense (Amt in ₹ lakhs)	% of Estimated Issue Size Expenses	% of Estimated Issue Size
Fees of the Lead Manager	10.50	33.93	0.32
Fees of Registrar to the Issue and other intermediaries	4.45	14.38	0.13
Statutory Fees payable including depositories, regulators and Stock Exchange	12.50	40.38	0.38
Statutory Advertising, Printing and Distribution	2.50	8.08	0.08
Other expenses (including miscellaneous expenses and stamp duty)	1.00	3.23	0.03
Total estimated Issue expenses*	30.95	100.00	0.94

* Subject to finalization of Basis of Allotment and actual Allotment. Above mentioned fees are excluding Taxes.

In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds from the Issue.

DETAILS OF MANUFACTURING UNIT

We have our manufacturing plant at Plot No. 1,2,3,15,16,17,20,21,25,26,28,29 & 30 Shah & Mehta Industrial Estate, Village Ghonsai, Tal. Wada, District Palghar, Thane - 421312.

APPRAISAL OF THE OBJECTS

None of the Objects of the Issue for which the Net Proceeds will be utilized have been appraised by any bank or financial institution.

STRATEGIC AND/ OR FINANCIAL PARTNERS

There are no strategic and financial partners to the objects of the issue.

BRIDGE FINANCING FACILITIES

Our Company have not raised or availed any bridge financing facilities for meeting the expenses as stated under the Objects of the Issue as on the date of this Letter of Offer.

INTERIM USE OF FUNDS

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks (as included in the second schedule of the Reserve Bank of India Act, 1934) or make any such investment as may be allowed by SEBI from time to time.

MONITORING OF UTILIZATION OF FUNDS

Since the proceeds from this Issue are less than ₹ 10000 Lakhs, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency for this Issue. However, as per SEBI (LODR) Regulation, the Board of Directors of the Company would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Financial Statements of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the BSE and NSE.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. Pursuant to Regulation 32 of the SEBI (LODR) Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI (LODR) Regulation, the Company shall furnish to the BSE and NSE, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

In accordance with applicable provisions of the Companies Act, 2013 and applicable rules, except in circumstances of business exigencies, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the *'Postal Ballot Notice'*) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where the Registered Office is situated.

KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

INTEREST OF PROMOTERS, PROMOTER GROUP AND DIRECTORS, AS APPLICABLE TO THE OBJECTS OF THE ISSUE

The Promoters of our Company through its letters dated September 9, 2022, have undertaken to subscribe, in part or in full extent of their Rights Entitlement among themselves subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR.

OTHER CONFIRMATIONS

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoter, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue. No part of the proceeds from the Issue will be paid by the Company as consideration to our Directors or Key Managerial Personnel.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

STATEMENT OF TAX BENEFITS

Anil Bansal & Associates
— CHARTERED ACCOUNTANTS —

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO HILTON METAL FORGING LIMITED (“THE COMPANY”) AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE TAX LAWS IN INDIA

To
The Board of Directors
Hilton Metal Forging Limited,

Subject: Statement of possible Special tax benefits (“the Statement”) available to Hilton Metal Forging Limited (“the Company”) and the shareholders of the Company in connection with the proposed rights issue of equity shares of the Company under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”)

Dear Sirs,

We, M/s. Anil Bansal & Associates (‘the Firm’), Chartered Accountants, the statutory auditors of the Company hereby confirm the enclosed statement in the Annexure I prepared and issued by the Company, which provides the possible special tax benefits under direct and indirect tax laws, including the Income-tax Act, 1961 (‘Act’) presently in force in India viz. the Income-tax Act, 1961, (‘Act’), the Income-tax Rules, 1962, (‘Rules’), regulations, circulars and notifications issued thereon, as applicable to the assessment year 2022-23 relevant to the financial year 2021-22, The Central Goods and Services Tax Act, 2017/ The Integrated Goods and Services Tax Act, 2017/ relevant State Goods and Services Tax Act, 2017 (“GST Act”), and the rules made thereunder as amended by The Finance Act 2021, i.e., as applicable to the assessment year 2022-23 relevant to the financial year 2021-22, presently in force in India, available to the Company, and its shareholders. Several of these benefits are dependent on the Company and its shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the aforesaid Acts. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions. The Company and its Shareholders may or may not choose to fulfil such conditions based on the business imperatives the Company and its shareholders face in the future.

This statement of possible special tax benefits is required as per Schedule VI (Part B-1) (10) of the SEBI ICDR Regulations. While the term ‘special tax benefits’ has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits (under direct and indirect tax laws (together the Taxation Laws)) available to the Company and its shareholders, the same would include those benefits as enumerated in the statement. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any

Reg. Office: 1001, IJMIMA Complex, Raheja's Metroplex, Link Road, Malad (West), Mumbai 400064.
Phone: 022 - 49795471

E-mail: info@caanilbansal.com / anilbansal1001@gmail.com
Website: www.caanilbansal.com



Anil Bansal & Associates
— CHARTERED ACCOUNTANTS —

other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.

Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to them.

In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

The benefits stated in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's Board of Directors. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Rights issue and we shall in No way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory body, tax authority or agency.

We do not express any opinion or provide any assurance whether:

- The Company and, its shareholders will continue to obtain these benefits in future.
- The conditions prescribed for availing the benefits have been/ would be met.
- The revenue authorities/ courts will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct, and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or nontax, Monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority /otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

Reg. Office: 1001, IJMIMA Complex, Raheja's Metroplex, Link Road, Malad (West), Mumbai - 400064.

Phone: 022 - 49795471

E-mail: info@caanilbansal.com / anilbansal1001@gmail.com

Website: www.caanilbansal.com



Anil Bansal & Associates
— CHARTERED ACCOUNTANTS —

This Statement is addressed to Board of Directors and issued at specific request of the Company. The enclosed Annexure to this Statement is intended solely for your information and for inclusion in the Letter of Offer and any other material in connection with the proposed right issue of equity shares of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For M/s. Anil Bansal & Associates
Chartered Accountants


Anil Bansal
Partner
M.No. 043918
UDIN: 22043918ARPVIZ3639
Place: Mumbai
Date: 10/09/2022



Reg. Office: 1001, IJMIMA Complex, Raheja's Metroplex, Link Road, Malad (West), Mumbai-400064.
Phone: 022 - 49795471
E-mail: info@caanilbansal.com / anilbansal1001@gmail.com
Website: www.caanilbansal.com



Hilton Metal Forging Ltd.™

GOVT. RECOGNIZED EXPORT HOUSE CIN : L-28900 MH 2005 PLC 154986

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



ISO 9001:2015
Certificate No.: 01 100 2137583
PED 2014/68/EU
and
AD-2000 MERKBLATT W0
Certificate No.: 01 202 INDIQ-14-0025

REGISTERED OFFICE :
701, PALMSRING, PALMCOURT COMPLEX,
LINK ROAD, MALAD (WEST),
MUMBAI - 400 064.

10th September, 2022

To
M/s. Anil Bansal & Associates,
Statutory Auditor,
1001 Ijmima Complex,
Malad Link Road,
Malad West,
Mumbai-400064

Subject: Statement and disclosure of Statement of Tax Benefit applicable on the company and its Shareholders for Issue of Right Prospectus

Dear Sir,

Please find the below mentioned disclosures with respect to tax benefits applicable on the company and its shareholders for issue of prospectus.

We assure you that we have given the below mentioned disclosures to the best of our knowledge and we solely take responsibility for non compliance of the same.

We humbly request you to kindly issue the Statement of Tax Benefits solely for the purpose of Filing the prospectus for right issue.

Annexure- I

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO HILTON METAL FORGING LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

The information provided below sets out the possible direct and indirect tax benefits available to the Company and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences under the current tax laws presently in force in India. Several of these benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company and its shareholders to derive the direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company and its shareholders may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfill. Further, certain tax benefits may be optional, and it would be at the discretion of the Company or its shareholders to exercise the option by fulfilling the conditions prescribed under the Tax laws.

The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

WORKS : PLOT NO.1,2,3,15,16,17,20,21,25,26,28,29 & 30, SHAH & MEHTA IND. ESTATE, VILLAGE CHONSAI, TALUKA WADGAO, DIST. PALGHAR

PINCODE : 421 312. TEL. : 02526307900 FAX : 02526307900

TEL. : 91 -22-40426565 E-MAIL : info@hiltonmetal.com VISIT US AT : www.hiltonmetal.com





The tax benefits stated below are as per the Income-tax Act, 1961 ('IT Act'), the Income-tax Rules, 1962 ('IT Rules'), as amended from time to time and applicable for financial year 2021-22 relevant to assessment year (AY) 2022-23 and Indirect Tax Laws as amended from time to time and applicable for financial year 2021-22.

SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY UNDER IT ACT AND IT RULES

There are no special tax benefits available to the company.

SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

- The Company would be required to deduct tax at source on the dividend paid to the shareholders, at applicable rates. The shareholders would be eligible to claim the credit of such tax in their return of income.
- The non-resident shareholders can offer the dividend income to tax under the beneficial provisions of the Double Taxation Avoidance Agreement, if any. Further, the non-resident shareholders would be eligible to claim the foreign tax credit, based on the local laws of the country of which the shareholder is a resident.

Notes:

- A. The above statements are sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership or disposal of shares.
- B. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- C. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2022-23.
- D. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- E. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- F. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.





SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER INDIRECT TAX LAWS

Solely in relation to the Issue, there are no special indirect tax benefits available to the Company or its shareholders.

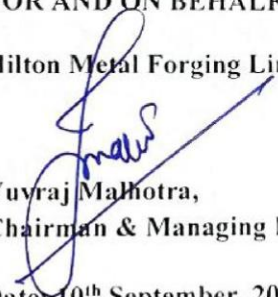
Notes:

- These benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

This statement has been prepared solely in connection with the Rights Issue under the Regulations as amended.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

Hilton Metal Forging Limited


Yuvraj Malhotra,
Chairman & Managing Director



Date: 10th September, 2022

Place: Mumbai

SECTION VI – ABOUT THE COMPANY

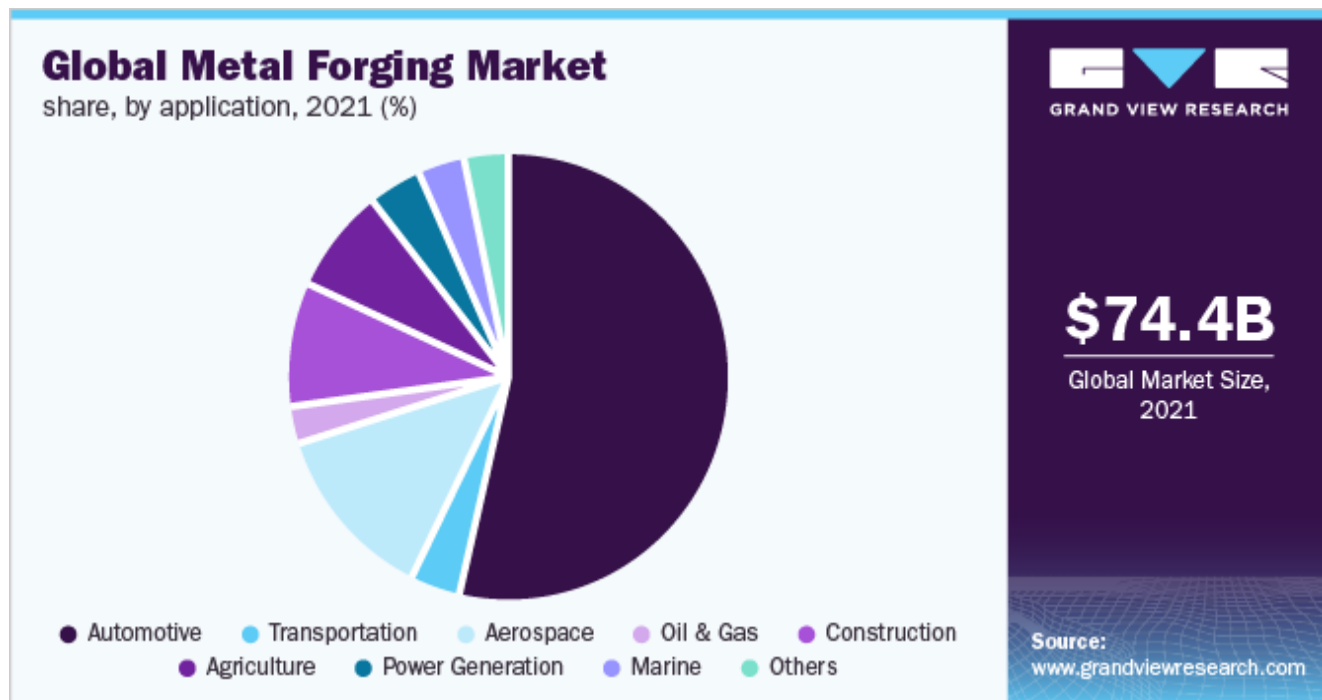
INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.

GLOBAL ECONOMIC OUTLOOK

The global metal forging market size was valued at USD 74.36 billion in 2021 and is projected to grow at a compound annual growth rate (CAGR) of 7.7% from 2022 to 2030. The demand for metal forged parts from the aerospace industry is driven by the rise in the number of flyers across the globe, which is propelling aircraft production and benefitting market growth. For instance, in 2021, Boeing delivered 302 aircraft, which was nearly double as compared to the previous year. Furthermore, in March 2022, Boeing announced that they are planning to double the production of 737 Max. This kind of trend in the aerospace industry is expected to boost the demand for metal forgings during the forecast period. The U.S. GDP grew by 6.9% in Q4 2021, compared to Q4 2020.

Rising investment in the modernization of power generation and renewable energy is expected to boost the demand for metal forged components during the forecast period. For instance, in September 2021, a USD 550.00 billion clean energy investment bill was passed by U.S Senate. The bill has a provision of USD 73.00 billion for clean energy generation. The automotive industry has been one of the prominent end-users of the market and is anticipated to maintain its dominance in terms of both volume and revenue. However, a consistent decline in vehicle production in the past few years is an ongoing challenge for the market. For instance, U.S. auto sales witnessed a 20% decline in sales in Q4 2021.



(Source: <https://www.grandviewresearch.com/industry-analysis/metal-forging-market#:~:text=The%20global%20metal%20forging%20market,7.7%25%20from%202022%20to%202030>)

INDIAN ECONOMIC OUTLOOK

Over the years, the Indian forging industry has evolved from being a labour intensive industry to capital-intensive manufacturing sector. The current investment in the plant and machinery by Indian forging companies is worth of INR 27,833 Crore.

Based on their installed capacity, the forging units may be classified as very large (capacity above 75,000 MT), large (capacity above 30,000 to 75,000 MT), medium (capacity above 12,500 to 30,000 MT), small (capacity above 5,000 to 12,500 MT) and very small (capacity up to 5,000 MT). Based on this classification it is seen that about 83% of the total number of units are small and very small, while only about 8% can be classified as very large and large units; the balance of about 9% constitute the medium sized units.

Current share of auto sector is about 58% of total forging production while the rest is with the non-auto sector. Changes in Indian automobile industry directly impact Indian forging industry, because the forging components form the backbone of the Indian automobile industry.

Since the automobile industry is the main customer for forgings the industry's continuous efforts in upgrading technologies and diversifying product range has enabled it to expand its base of customers to foreign markets.

The Indian forgings industry has made rapid strides and currently, not only meets almost all the domestic demand, but has also emerged as a large exporter of forgings.

(Source: <https://www.indianforging.org/indian-forging-industry/>)

INDIAN METAL MARKET

India holds a fair advantage in production and conversion costs in steel and alumina. Its strategic location enables export opportunities to develop as well as fast-developing Asian markets. As of FY22, the number of reporting mines in India were estimated at 1,425, of which reporting mines for metallic minerals were estimated at 525 and non-metallic minerals at 720.

Rise in infrastructure development and automotive production are driving growth. Power and cement industries are also aiding growth for the sector. Demand for iron and steel is set to continue given the strong growth expectations for the residential and commercial building industry.

In FY 2021-22, coal production in India stood at 777.31 MT (provisional) with a growth of 8.55%. In FY22, mineral production is estimated at Rs. 190,392 crore (US\$ 24.95 billion). India ranks fourth globally in terms of iron ore production. Production of iron ore in FY21 stood at 204.48 million tonnes. From April 2021- January 2022, iron ore production in India stood at 204 million tonnes (MT). In FY20, India had a total number of 878 steel plants producing crude steel. India's crude steel production stood at 103 MT in FY21. The steel production in India is projected to increase by 18% to reach 120 million tonnes (MT) by FY22. In Q3 FY22, production of hot metal, crude steel and saleable steel by SAIL stood at 1.55 MT, 1.44 MT and 1.46 MT, respectively. Combined Aluminium production (primary and secondary) in India stood at 4.1 MT per annum in FY21 becoming the 2nd largest in the world. Aluminium production stood at 3,285,186 tonnes between April 2020 and January 2021. India is the world's second-largest coal producer as of 2021.

INVESTMENT & DEVELOPMENTS

Some of the investments/ developments in the Metals & Mining sector in the recent past are as follows:

- From April 2000-March 2022, FDI inflows in the metallurgical industry stood at (US\$ 17.02 billion), followed by the mining (US\$ 3.24 billion), diamond & gold ornaments (US\$ 1.21 billion) and coal production (US\$ 27.73 million) industries.
- GVA from mining and quarrying stood at US\$ 43.3 billion in FY22, as per the advance estimates
- In FY23, Vedanta's aluminium division will focus on backward integration and will put two of its mines in Odisha into production.
- NMDC's cumulative iron ore production (until May 2022) stood at 6.35 MT as compared to 5.91 MT (until May 2021)

- In FY 2021-22 (until December 2021), India's iron and steel export was valued at US\$ 17.62 billion. During FY16-21, India's export of iron and steel grew at a CAGR of 17.51%.
- In FY 2021-22 (until December 2021), iron ore exports stood at US\$ 2.47 billion compared with US\$ 4.9 billion in FY 2020-21.
- Iron and steel imports stood at US\$ 17.3 billion in FY22 as compared to US\$ 12.04 billion in FY21.
- In May 2022, the combined index of eight core industries stood at 148.1 driven by production of cement, coal, fertilizers and electricity industries.
- Traffic handled at major ports stood at 64,960 thousand tonnes in April 2022.
- India's total installed electricity generation capacity stood at 399.49 GW in FY 2022. Installed capacity has increased steadily over the years, posting a CAGR of 6.08% % in FY16-22
- In November 2021, JSW Steel announced that the company registered a 6% YoY surge in crude steel production at 1.42 million tonnes in October 2021.
- In November 2021, AMNS India announced that it is planning to manufacture specialty steel under the production-linked incentive (PLI) scheme.
- In September 2021, National Mineral Development Corporation Ltd. (NMDC) R&D Centre collaborated with CSIR-IMMT (Institute of Minerals and Materials Technology) to pursue combined research projects on iron ore mining technologies.
- Vedanta Limited is planning a US\$ 20 billion investment across its operations, including increase silver production and steel capacity.
- In June 2021, Mr. T.V. Narendran, the CII President and Managing Director of Tata Steel, stated that steel firms have firmed up plans to invest ~Rs. 60,000 crore (US\$ 8 billion) over the next three years in this sector.
- In May 2021, Vedanta Ltd. announced its plan to invest Rs.10,000 crore (US\$ 1.34 billion) in setting up an aluminium park in Odisha to facilitate companies that use metal to set up their manufacturing units in the facility.
- In May 2021, ArcelorMittal Nippon Steel (AMNS) signed a contract with Total (a France-based energy company) for supply of up to 500,000 tons of liquefied natural gas (LNG) per year until 2026.
- In March 2021, Coal India Ltd. (CIL) approved 32 new coal mining projects, of which 24 are expansion of the existing projects and the remaining are greenfield. Estimated cost of the project is Rs. 47,000 crore (US\$ 6.47 billion).
- In February 2021, ArcelorMittal-Nippon Steel India, in agreement with the Odisha government, has planned to set up an integrated steel plant (with 12 MT capacity) in the state's Kendrapada district for Rs. 50,000 crore (US\$ 6.89 billion)
- In February 2021, two new iron ore mines were inaugurated in Odisha, with a production capacity of 15 lakh tonnes per month and 275 million tonnes of consolidated iron ore reserves. These mines will bring in ~Rs. 5000 crore (US\$ 679.28 million) in annual revenue for the state and employment opportunities for locals.

(Source: <https://www.ibef.org/industry/metals-and-mining>)

GOVERNMENT INITIATIVES

Consider this - The Govt. started a new scheme viz. "Promotion of R&D in Iron and Steel Sector", during the 11th Five Year Plan. As per the approval of Expenditure Finance Committee (EFC) the three broad areas to be pursued under this scheme are:

- **Development of innovative/ path breaking technologies for utilization of iron ore fines and non-coking coal.**
- **Beneficiation of raw materials like iron ore, coal etc. and agglomeration.**
- **Improvement in quality of steel produced through the induction furnace.**

A Project Approval and Monitoring Committee (PAMC) under the Chairmanship of Secretary (Steel) and members comprising Additional Secretary & Financial Adviser and Joint Secretary, Ministry of Steel, Director IIT Kharagpur, Director IMMT, Director NML and other members, is the decision making body for approval of R&D projects, monitoring of ongoing projects and for overall direction. Project Review Committees (PRCs) comprising domain experts also monitor the progress and fund utilization of each project.

The aforesaid R&D Scheme has been continued in the 12th Five Year Plan. In 12th FY Plan, two new objectives have been added along with the three aforesaid objectives. The additional objectives are:

- **Development of technology for CRGO Electrical Steel Sheets and other value added innovative steel products.**
- **To pursue R&D on any other subject of national importance concerning the iron and steel sector.**

Under this scheme, so far 26 R&D projects have been approved with a total cost of Rs. 221 crores with approved financial assistance of Rs. 161 crores from Plan Fund. So far, 7 projects have been completed where in, processes/ technologies have been developed in laboratory/ Pilot scale for benefit of Iron & Steel sector.

(Source: <https://www.srtmi.com/index.php/site/governmentinitiatives>)

ACHIEVEMENT OF THE INDIAN METAL SECTOR

- India's crude steel production rose over 6 per cent year-on-year to 10 million tonnes in June 2022, according World Steel Association.
- As per the World Steel Association (world steel) data, India is the only country which has registered a positive growth in its steel output during June.
- The country had produced 9.4 million tonnes (MT) crude steel during the same month last year, the global industry body said in its latest report.
- India is world's second largest producer of crude steel after China which produced 90.7 MT in June 2022, down 3.3 per cent over its 93.9 MT production in June 2021.
- The production in the United States fell by 4.2 per cent to 6.9 MT last month from 7.1 MT in the same month of 2021.
- Russia -- which has been engaged in a conflict with Ukraine -- is estimated to have produced 5 MT, down 22.2 per cent over 6.4 MT a year ago.
- Russia has registered the highest fall among top 10 steel producers.
- While South Korea registered a 6 per cent fall to 5.6 MT, Germany produced 3.2 MT, down 7 per cent year-on-year.
- In June 2022, Turkey produced 2.9 MT crude steel, down 13.1 per cent, and Brazil is estimated to have produced 2.9 MT, registering a fall of 6.1 per cent.
- Iran is estimated to have produced 2.2 MT, down 10.8 per cent.
- Brussels-headquartered world steel having members in every major steel-producing country, represents steel producers, national and regional steel industry associations, and steel research institutes.
- World steel members represent around 85 per cent of global steel production.

(Source: https://www.business-standard.com/article/companies/india-s-steel-output-grows-6-to-10-mt-in-june-shows-worldsteel-data-122072600737_1.html)

METAL INDUSTRY IN INDIA

With the launch of the National Mineral Policy 2019 and the Mines and Minerals (Development and Regulation) Amendment Act 2021, India presents a major opportunity for investors looking to invest in the metal industry in India.

India has large reserves of Iron ore, Bauxite, Chromium, Manganese ore, Baryte, Rare earth and Mineral salts.

The Metals and Mining sector in India is expected to witness a major reform in the next few years, owing to reforms such as Make in India Campaign, Smart Cities, Rural Electrification, and a focus on building renewable energy projects under the National Electricity Policy as well as the rise in infrastructure development.

Ministry of Coal launched the fifth tranche, second attempt of fourth tranche and second attempt of third tranche of commercial coal mine auction on March 30, 2022.

The 3rd round of auction have 88 coal blocks offered and the 4th round of auction held in December 2021 offered 99 coal mines, of which 59 are fully explored with 40 partially explored.

Production level of important minerals in June 2022 were: Coal 669 lakh tonnes, Lignite 46 lakh tonnes, Natural gas (utilized) 2747mn cu. m., Petroleum (crude) 24 lakh tonnes, Bauxite 1950 thousand tonnes, Chromite 343 thousand tonnes, Copper conc. 10 thousand tonnes, Gold 85 kg, Iron ore 201 lakh tonnes, Lead conc. 30 thousand tonnes, Manganese ore 238 thousand tonnes, Zinc conc. 142 thousand tonnes, Limestone 335 lakh tonnes, Phosphorite 189 thousand tonnes, Magnesite 8 thousand tonnes, and Diamon 44 carat.

The production of important minerals showing positive growth during June, 2022 over June, 2021 include: Diamond (340%), Gold (107.3%), Phosphorite (41.0%), Coal (31.1%), Lignite (28.8%), Zinc conc (20.0%), Manganese ore (19.3%), Magnesite (16.6%), Bauxite (8.9%), Chromite (6.5%), Lead conc (4.2%), Limestone (1.6%), and Natural Gas (U) (1.3%).

19 coals blocks were auctioned in 2020 for commercial mining. The total expected revenue from these mines is around INR 7,000 cr with a combined peak capacity of 51 MPTA.

The Average Index of Industrial Production of Manufacturing of basic metals in the FY 2021-22 is 177.3 and has grown by 18.4%

Exports of Mica, Coal & Other Ores, Minerals including processed minerals values at \$429.56 mn in May 2022 and records positive growth vis-à-vis May 2021 of 9.04%.

Recognising the importance of bringing sustainability in coal mining, a “Sustainable Development Cell” has been created in Ministry of Coal and in all coal PSUs to promote adoption of better environment management practices in coal mines.

(Source: [https://www.investindia.gov.in/sector/metalsmining#:~:text=India%20is%20the%202nd%20largest,of%2021.3%25%20over%20the%20year.&text=Steel%20production%20\(weight%3A%2017.92%20%25\),June%202022%20over%20June%202021](https://www.investindia.gov.in/sector/metalsmining#:~:text=India%20is%20the%202nd%20largest,of%2021.3%25%20over%20the%20year.&text=Steel%20production%20(weight%3A%2017.92%20%25),June%202022%20over%20June%202021))

PRODUCTION-LINKED INCENTIVE SCHEMES

The specialty steel industry is one amongst many which has been selected by the government for grant of incentives under the Production Linked Incentive (PLI) Scheme. The scheme seeks to incentivise domestic production of specialty steel through cash disbursements to be given to companies who make investments in certain specified product categories and generate incremental production through such investment. The objectives behind the scheme are attract investment in the sector and to generate additional employment opportunities due to resultant greenfield or brownfield expansions.

The government has allocated a budget of Rs 6,322 crore for disbursements to be made to applicants who are selected under the scheme. Such disbursements are to be made for a period of five years and are to be calculated as a percentage of the incremental production generated over and above the base year production; the base year for calculation of incremental production, basis the PLI scheme the way it stands today, is FY 2019-20.

The scheme, notified by the government on July 2021, seeks to attract investment in five broad categories of speciality steel (with various sub-categories having been specified), each having its own prescribed investment range and rate of incentives. The details of these broad categories are:

PRODUCT CATEGORY	INVESTMENT RANGE (IN INR CRORE)	INCENTIVE RATE
Coated / Steel Plated Products	200 - 700	3% - 10%
Water Resistant Steel	1000 - 2750	3% - 10%
Speciality Rails	350	3% - 5%
Alloy Steel Products & Steel Wires	30-600	3% - 10%
Electrical Steel	700-5000	7% - 15%

In addition to inclusion of certain product categories and sub-categories in the presently existing scheme and guidelines, the industry is also requesting for inclusion of investments made in upstream facilities to be considered as permissible investment; currently, such investment does not qualify as permissible investment.

Another demand from the industry is for merger of certain sub-categories so that maximum benefit can be availed by the interested players. This emanates from the fact that some products mentioned in different sub-categories are generally manufactured using a common manufacturing line (such as galvanneal and coated/ plated product and galvalume, coated/ plated product and galvalume and colour coated, etc.). Similarly, certain prescribed sub-categories consist of products which are raw materials and inputs of products covered under other prescribed sub-categories. However, the guidelines currently require investments to be made for many of these sub-categories separately.

(Source: <https://economictimes.indiatimes.com/small-biz/sme-sector/how-pli-scheme-for-specialty-steel-can-attract-investment-for-this-sector/articleshow/91460759.cms>)

CHALLENGES FACED BY METAL FORGING INDUSTRY

The sector's financial health went from bad to worse. Issues with payments and lack of demand, combined with market issues, threaten MSMEs' survival in the country. In a recent development, the RBI instructed state-owned banks not to declare stressed assets of MSMEs as non-performing assets (NPAs) until March 31, 2020, as the current norms stipulate that if over 90 days, any default should be listed as NPA. But industry feels declaring NPA after 91 days is not practical as most customers don't pay to MSMEs on time, causing immense liquidity issues and few smaller associations have highlighted this the RBI requesting seeking an extension up to 180 days.

With an annual output of about 30 Lakh MT, the Indian forging industry has about close to 400 forging units, of which 83 percent can broadly be categorized as Tiny and Small Enterprises. While 9 percent are Medium Sized, the remaining being Large Scale.

While SMEs contribute 30 percent of forging production, the Medium and Large-Scale units contribute 70 percent. With a total production worth INR 45000-50000 crore the forging industry provides direct employment to more than 300,000 people in the country along with an additional 60000 contract labourers.

ROAD AHEAD

There is a significant scope for new mining capacities in iron ore, bauxite and coal and considerable opportunities for future discoveries of sub-surface deposits. Infrastructure projects continue to provide lucrative business opportunities for steel, zinc, and aluminium producers. Iron and steel make up a core component for the real estate sector. Demand for these metals is set to continue given strong growth expectations for the residential and commercial building industry.

References: Media Reports, Press Information Bureau (PIB), Union Budget 2020-21

BUSINESS OVERVIEW

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Letter of Offer. An investment in the Equity Shares involves a high degree of risk.

For a discussion of certain risks in connection with investment in the Equity Shares, you should read **'Risk Factors'** on page 21, for a discussion of the risks and uncertainties related to those statements, as well as **'Financial Information'** and **'Management's Discussion and Analysis of Financial Condition and Results of Operations'** on pages 70 and 152 respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Restated Financial Statements.

BUSINESS OPERATIONS OF OUR COMPANY

- Procurement of Raw Material ensuring high accuracy in terms of composition, mechanical properties and dimensions.
- Use state-of-the-art machinery resulting in better quality products.
- Exhaustive quality checks are done at every stage right from conception, designing and manufacturing
- We are also capable to provide special custom forgings as per our customers' drawings and specifications.
- Our primary objective is to provide quality service and fast delivery and our aim is to become your first choice as a flange and fittings provider.
- Technical competence and use of correct terminology is a key factor in our industry these days.
- By working with our customers and their clients in this way, we have become the pipeline equipment supply partner of choice to many.

MAIN OBJECTS OF OUR COMPANY

- To continuously modernize, expand and technologically upgrade our products with a view to producing excellent and high-quality goods
- To match the changing needs of the customer and improve foreign exchange earnings for the country by promoting exports.
- To face Global competition and further improve Hilton's Global presence fame and glory.
- To improve customer satisfaction and become cost effective
- To promote employees participation and to implement innovative methods for enriching the quality of life of all concerned.

CHANGES IN MEMORANDUM OF ASSOCIATION

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

SR. NO.	PARTICULARS	DATE OF MEETING	TYPE OF MEETING
1	Clause V of the Memorandum of Association of the Company Increasing the authorized share capital of the Company from ₹ 15,00,00,000/- (Rupees Fifteen Crores only) comprising of 1,50,00,000 (One Crore Fifty Lakhs) equity shares of face value of ₹ 10.00/- (Rupees Ten Only) each to ₹ 25,00,00,000/- (Rupees Twenty Five Crores only) comprising of 2,50,00,000 (Two Crores Fifty Lakhs) equity shares of face value of ₹10.00/- (Rupees Ten only) each;	August 12, 2022	Ordinary Resolution through postal ballot

CHANGES IN OUR REGISTERED OFFICE

The registered office of our Company is situated as follow:

ADDRESS		EFFECTIVE FROM	REASON FOR CHANGE
FROM	TO		
701 Palmspring, New Malad Link road, Malad West, Mumbai-400064	510 Western Edge-II, Near Western Express Highway, Magathane, Borivali East, Mumbai-400066	12.08.2021	Convenient for business operation

OUR BUSINESS

Hilton Metal Forging Ltd. ("The Company") is one of the technology leaders in the forging industry. The company is mainly engaged in manufacturing of stainless-steel forging flanges allied pipe fitting items and Valve Body bonnet for Oil and Gas Sector. The products include stainless steel forged flanges forged fittings and lap-joint stub-ends (seamless). The company provides services in the areas such as oil and gas sectors petro chemical and refineries marine and ship building paper and pulp and agricultural sectors. The Company have secured various certification of quality assurance from worldwide renowned certifiers. Company got accreditations of API ISO/TS 29001 (American Petroleum Institute) and Approved Manufacturers by Sasol Technology. Also they have secured approval of A.E.L. the Indian Giant.

The Company was incorporated on July 21 2005. The company was formed by converting the partnership. Initially the company was established as a proprietorship firm on September 13, 1997 with the object of export of pipe fittings. In the year 1999 the company was registered as a small scale industrial unit and they started manufacturing pipe fitting items like Stainless Steel Flanges & Stub Ends. In August 1 2003 a partnership Firm was formed under the name 'Hilton Forge' who took over the business of the proprietorship firm. The company was conferred with an Export Excellence Certificate for the year 2003-04. In September 2004 the company commenced the commercial production on 16 ton Hammer.

Further the partnership firm was converted into a public limited company under the name Hilton Metal Forging Ltd on July 21 2005. Thus the company was formally incorporated in the year 2006 the company started manufacturing the forged valve bodies and valve components for Oil and Gas Petro Chemical Refineries. They installed a complete Heat Treatment Plant Die shop and in-house laboratory facilities to inspect the chemical physical and all kinds of testing. In the year 2007 as a part of the expansion program 3 ton Drop Forging Hammer CNC Machines HMC Machines cutting machines were installed and became operative. They obtained API monogram from American Petroleum Institute and Certificate of Registration from PDO Oman as registered material vendor for their products. In the year 2008 the company obtained a confirmation from SASOL South Africa for inclusion as SASOL approved Manufacturers List for Pipes Fitting and Flanges. They also obtained approval from UDHE INDIA and from Directorate of steam Boiler Government of Maharashtra as approved Manufacturer of Forged Items ass per Indian boiler regulation 1950. In the year 2009 the company received Gold Trophy as 'Top Exporter' from EEPC. The forging press Pneumatic Hammer VMC and HMC machines were made operative during the year and the production capacity of the company was increased to 16000 MT per year. During the year 2008-09 the company completed the expansion programme with the installation of 2000 Maxi Press pneumatic hammer HMC CNC machines along with the various balancing equipments.

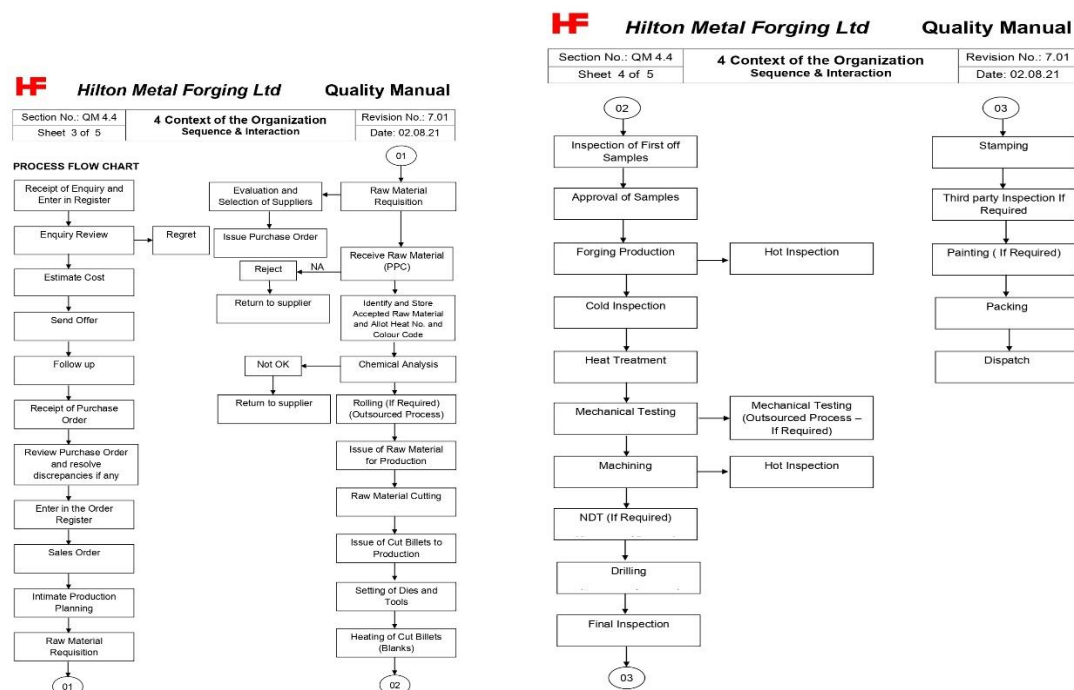
The Company registered better performance over the years indicating strong and steady growth trajectory, despite Covid-19 Pandemic, global inflationary headwinds, high energy prices, and supply chain bottlenecks. Company has introduced new two product line as expansion. One railway wheel, which is already supplied and approved in the department. Hilton is the first MSME Company that has developed and successfully supplied Railway Wheel as a 100% Indigenous product. Govt. has issued 90,000 wagons order to be supplied on or before 2026 to a company like Titagarh Wagons / Texmaco and other leading wagon manufactures will be requiring huge qty of wheelset assembly in next 3 years. Hilton is also at the Initial stage of discussion for MOU with Titagarh wagon/ Texmaco and Jupiter wagons for the supply of wheelset assembly for their continuous need. One of the recognized agencies soon visit the site & work on the report of our capacity to produce wheel 52000 set per year. Looking at the current progress, the Company intends to start production of wheelset by December 2022, where just the domestic and international requirement are in multiple folds. The business fundamentals remain strong and the domestic opportunity remains favorable, so as leveraging strengths, the company expect to achieve higher growth and create greater shareholder value.

OUR MANUFACTURING UNIT

Manufacturing unit Products/Product/Facilities

MANUFACTURING UNIT	PRODUCTS/FACILITIES
Plot no. 1,2,3,15,16,17,20,21,25,26,28,29 & 30 Shah & Mehta Industrial Estate, Village Ghonsai, Tal.Wada,Dist. Palghar, Thane-421312	S.S. Flanges & Fittings – ½” to 24” Railway Wheels Forged and fully Machined Gears Forged Crankshafts Railway Wheel Set Assembly(Under Development) Nickel Cut Billets (Annealed) Christmas Tree Components(Under Development)

PROCESS FLOW



KEY CONTENTS PRODUCED BY US

- Stainless Steel Flanges & Stub Ends Seamless
- Railway Wheels
- Fully Machined Gears
- Forged Crankshafts

OUR BUSINESS STRATEGY

- Increasing the current Capacity utilization while at the same time developing new products under the same lines.
- Diversifying into new markets product-wise and geographically
- Increase in CAPEX in the coming future for achieving the desired production capacity and reduce the bottlenecks in the current manufacturing processes.

OUR STRENGTHS

- Unique Heavy Weight Closed Die Forging Facility
- Established Products in the Market
- Close to Harbour hereby reducing the inland logistic Expenses
- Worldwide Certificate & Approvals from refineries and APIs

RAW MATERIALS

- Stainless Steel 316/L
- Stainless Steel 304/L
- Alloy Steel
- Carbon Steel
- Nickel Rods
- Stainless Steel 310
- Stainless Steel 410

PLANT AND MACHINERY

S. NO	MACHINE NAME	M/C NO	LOCATION
1	BAND SAW ADMADA	BS/02	CUTTING SHOP
2	BAND SAW BEHERINGER	BS/07	CUTTING SHOP
3	BAND SAW 750 ADMADA	BS/09	CUTTING SHOP
4	BAND SAW H1080 ADMADA	BS/10	CUTTING SHOP
5	BAND SAW 250 ADMADA	BS/11	CUTTING SHOP
6	BAND SAW 250 ADMADA	BS/15	CUTTING SHOP
7	BAND SAW 250 ADMADA	BS/16	CUTTING SHOP
8	AIR HAMMER	FS/01	FORGE SHOP
9	TRIMMING PRESS	FS/02	FORGE SHOP
10	AIR COMPRESSOR CPT	FS/10	FORGE SHOP
11	AIR COMPRESSOR CPT	FS/11	FORGE SHOP
12	AIR COMPRESSOR CPT	FS/12	FORGE SHOP
13	AIR COMPRESSOR CPT	FS/13	FORGE SHOP
14	AIR COMPRESSOR CPT	FS/14	FORGE SHOP
15	CENTER LATHE	FS/17	FORGE SHOP
16	CENTER LATHE	FS/20	FORGE SHOP
17	HARDENING FURNANCE 2200X3000X2000	HT/01	HEAT TREATMENT SHOP
18	HARDENING FURNANCE 2200X3000X2000	HT/02	HEAT TREATMENT SHOP
19	HARDENING FURNANCE 2200X3000X2000	HT/03	HEAT TREATMENT SHOP
20	HARDENING FURNANCE 2200X3000X2000	HT/04	HEAT TREATMENT SHOP
21	WATER QUENCHING TANK	HT/05	HEAT TREATMENT SHOP
22	WATER QUENCHING TANK	HT/06	HEAT TREATMENT SHOP
23	CHARGING MACHINE	HT/07	HEAT TREATMENT SHOP

S. NO	MACHINE NAME	M/C NO	LOCATION
24	VERTICAL LATHE MACHINE 1	HT/15	HEAT TREATMENT SHOP
25	VERTICAL LATHE MACHINE 2	HT/16	HEAT TREATMENT SHOP
26	VMC PRO-2150A	VMC 06	DIE SHOP
27	VMC PRO-2150A	VMC 06	DIE SHOP
28	TURNING CNC CENTRE 1	VTL1	CNC MACHINING SHOP-2
29	TURNING CNC CENTRE 2	VTL2	CNC MACHINING SHOP-2
30	TURNING CNC CENTRE 3	VTL3	CNC MACHINING SHOP-2
31	TURNING CNC CENTRE 4	VTL4	CNC MACHINING SHOP-2
32	U.T. MACHINE	UT/01	QUALITY DEPARTMENT
33	PORTABLE PMI TESTING M/C	PMI/01	QUALITY DEPARTMENT
34	PUNCHING MACHINE	PM/02	QUALITY DEPARTMENT
35	PUNCHING MACHINE	PM/03	QUALITY DEPARTMENT
36	LASER MARKING MACHINE	PM/04	QUALITY DEPARTMENT
37	3D CMM	-	LABORATORY

INSTALLED CAPACITY AND CAPACITY UTILISATION

FACILITY	INSTALLED CAPACITY	UTILISATION	% UTILISATION
2 TON HAMMER	8000 TONNE	2558 TONNE	31.975%
3 TON HAMMER	5600 TONNE	1256 TONNE	22.43%
16 TON HAMMER	15000 TONNE	7129 TONNE	47.53%
FORGING PRESS	2400 TONNE	402 TONNE	16.75%

DEPARTMENT	NUMBER OF EMPLOYEES
LABORATORY	3
CUTTING	9
2T / 3T / 16T HAMMER	16
MACHINING	22
QUALITY	9
STORES	3
SALES & ADMIN.	12
TOTAL	73

COMPETITION

NAME OF COMPANY	MARKET CAP* (₹ in CRORES)	SALES** (₹ in CRORES)	PROFIT AFTER TAX** (₹ in CRORES)	PRICE TO SALES	PRICE TO EARNING
Bharat Forge Limited	32679.67	6254.61	1077.06	5.23	30.34
Pradeep Metals Limited	156.55	220.80	19.97	0.71	7.84
Ramkrishna Forgings Limited	2518.26	2285.39	198.03	1.10	12.72
Steelcast Limited	707.99	302.04	33.27	2.34	21.28

*as on March 31, 2022

**for FY 2021-22

(Source: www.bseindia.com)

HEALTH SAFETY AND ENVIRONMENT

A. CONSERVATION OF ENERGY

(i) Steps taken by the company on conservation of energy:

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

1. Systematic maintenance of furnaces to ensure optimum performance.
2. Overall Equipment Effectiveness improvement.

3. Load Management to achieve unity power factor.
4. Installed translucent sheets for natural lights.
5. Energy saving by optimum utilization of furnaces
6. Cycle time reduction of forging units.
7. Use energy efficient motors in various equipment's.
8. Awareness and training programs for employees

(ii) Additional investment proposals, if any, being implemented for reduction of consumption of energy:

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.

(iii) Impact of the above measures for reduction of energy consumption and consequent impact of the cost of the production of goods:

On account of the measures taken and proposed to be taken, the Company is confident of improving raw material yield and reduce the cost incurred towards fuel costs. The measures taken will in turn help to reduce the cost of production of the goods and will make our products more competitive.

B. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION:

(i) Efforts made towards technology absorption, adaption and innovation:

Sustained efforts are made to reduce the consumption of raw material by using versatile designing and multiple lay-out of dies.

(ii) Benefits derived as a result of the above:

- (a) Improved competitive position through significantly improved products for new markets.
- (b) Improved competency in designing process & products for customers.
- (c) Upgradation of technical skill of employees for higher productivity & more consistent quality.

(iii) No technology was imported in the last three years

(iv) Expenditure incurred on Research and Development:

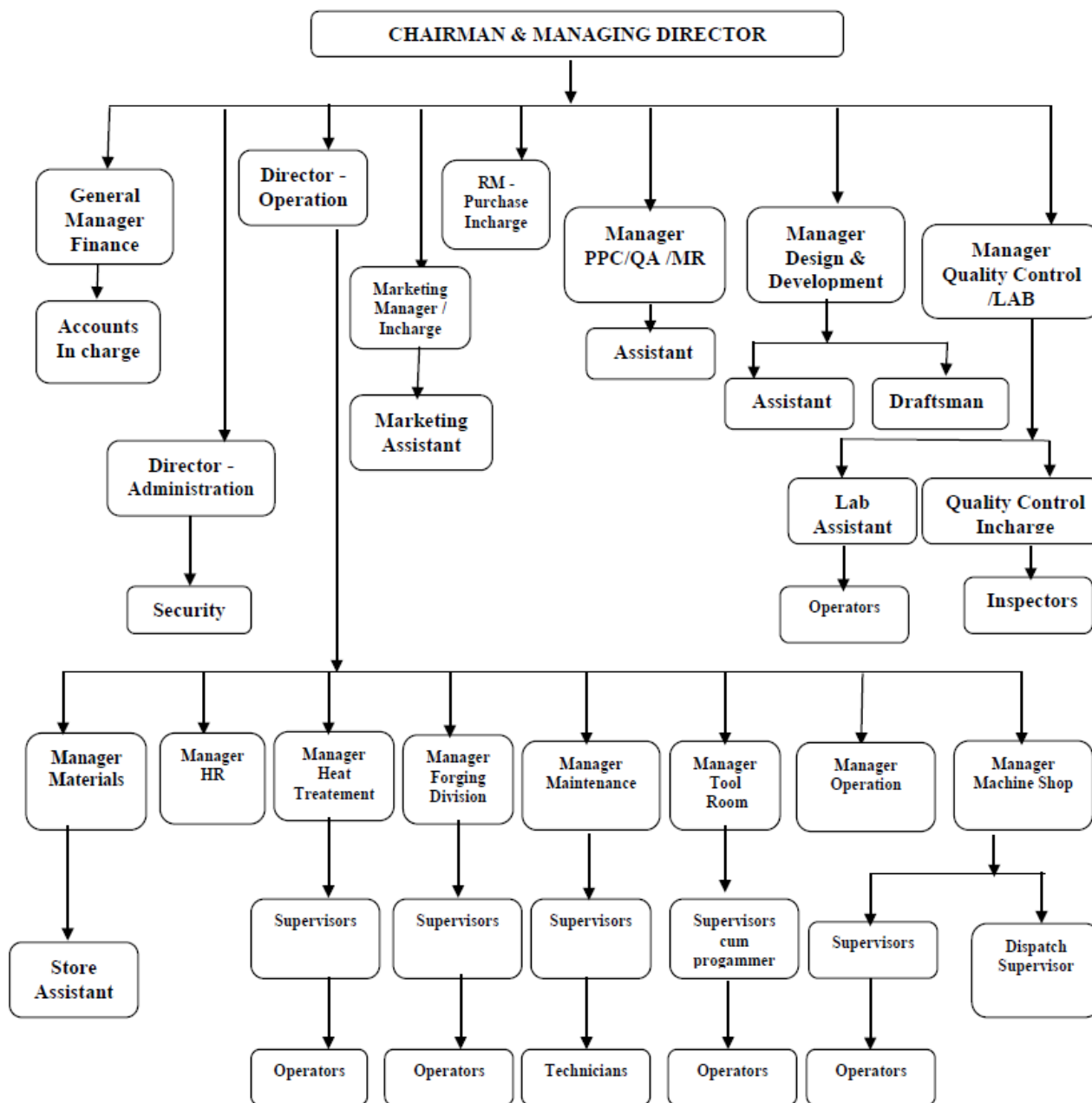
The Company has been continuously putting effort to develop new products for other segments. The Company is doing many research activities in the areas of component weight reduction, process design, process improvement etc.

Our Immovable Properties

- Plot No. 1,2,3,15,16,17,20,21,25,26,28,29 & 30 Shah & Mehta Industrial Estate
- 701 Palmspring, Malad west, Mumbai-400064



ORGANISATION CHART



OUR MANAGEMENT

BOARD OF DIRECTORS

Our Articles of Association provide that our Board shall consist of minimum 3 (Three) Directors and not more than 15 (Fifteen) Directors, unless otherwise determined by our Company in a general meeting.

As on date of this Letter of Offer, our Company currently has 6 (Six) directors on its Board, 1 (One) Managing director, 5 (One) directors acting in the capacity of being a Non-Executive independent director. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act and SEBI (LODR) Regulations.

The following table sets forth details regarding our Board of Directors as on the date of this Letter of Offer:

NAME, DESIGNATION, ADDRESS, OCCUPATION, TERM, NATIONALITY, DATE OF BIRTH AND DIN	AGE	OTHER DIRECTORSHIPS
<p>YUVRAJ HIRALAL MALHOTRA</p> <p>Designation: Chairman & Managing Director</p> <p>DIN: 00225156</p> <p>Date of Birth: 24.03.1966</p> <p>Occupation : Business</p> <p>Address: 3C/1701, Whispering Palms Akurli Road, Opp. Mahindra and Mahindra Gate No.2 Lokhandwala Township, Kandivali East, Mumbai, Maharashtra - 400101</p> <p>Nationality: Indian</p> <p>Original Date of Appointment: 21.07.2005</p> <p>Re-appointment as Managing Director & Chairman: NA</p> <p>Tenure: 3 Years from the date of Appointment</p>	56	<ul style="list-style-type: none"> HILTON STEEL FORGINGS PRIVATE LIMITED EEPC INDIA WHISPERING PALM WELFARE ASSOCIATION HILTON WELLHEAD PRODUCTS PRIVATE LIMITED
<p>SANJAY JAIN</p> <p>Designation: Independent Director</p> <p>DIN: 00152758</p> <p>Date of Birth: 25.11.1965</p> <p>Occupation : Business</p> <p>Address: L-2, Priya Apptt., D Block, Near Khushi Apptt., Vikas Puri, New Delhi, West Delhi, Delhi - 110018</p> <p>Nationality: Indian</p> <p>Original Date of Appointment: 23.09.2006</p> <p>Re-appointment as Independent Director: NA</p> <p>Tenure: 5 years from the date appointment</p>	47	<ul style="list-style-type: none"> NIL
<p>SANDEEP RAVINDRA SHAH</p> <p>Designation: Independent Director</p>	55	<ul style="list-style-type: none"> KBC GLOBAL LIMITED MAXVRIDDHI FINANCIAL SERVICES PRIVATE LIMITED

NAME, DESIGNATION, ADDRESS, OCCUPATION, TERM, NATIONALITY, DATE OF BIRTH AND DIN	AGE	OTHER DIRECTORSHIPS
<p>DIN: 06402659</p> <p>Date of Birth: 10.07.1964</p> <p>Occupation : Business</p> <p>Address: A-1 Harmony, Ashok Chakravarti Road, Near Bonanza Estate, Damodar Wadi, Mumbai, Kandivali East, Maharashtra - 400101</p> <p>Nationality: Indian</p> <p>Original Date of Appointment: 15.05.2019</p> <p>Re-appointment as Independent Director: NA</p> <p>Tenure: 5 years from the date appointment</p>		<ul style="list-style-type: none"> • VERMA RESEARCH BOOK PRIVATE LIMITED • SWARAJ MARINE SERVICES PRIVATE LIMITED • LECORP CORPORATE SERVICES LLP
<p>SUKESH KUMAR JOSHI</p> <p>Designation: Independent Director</p> <p>DIN: 08153689</p> <p>Date of Birth: 16.07.1954</p> <p>Occupation : Business</p> <p>Address: Flat No. 1201, Building No - 3C, Whispering Palms, Lokhandwala Township, Opp Mahendra and Mahendra Tractor, Kandivali East, Mumbai, Maharashtra - 400101</p> <p>Nationality: Indian</p> <p>Original Date of Appointment: 08.06.2018</p> <p>Re-appointment as Independent Director: NA</p> <p>Tenure: 5 years from the date appointment</p>	64	<ul style="list-style-type: none"> • NIL
<p>PRITHIVISH SUSHIL MUNDRA</p> <p>Designation: Independent Director</p> <p>DIN: 08529151</p> <p>Date of Birth: 13.05.1992</p> <p>Occupation : Business</p> <p>Address: B/206, Vishranti Apartment, Anand Nagar, Near Renuka Niwas Anand Nagar, Vasai Road West Vasai Bassein Road Vasai, Thane, Maharashtra - 401202</p> <p>Nationality: Indian</p> <p>Original Date of Appointment: 05.08.2019</p>	28	<ul style="list-style-type: none"> • NIL

NAME, DESIGNATION, ADDRESS, OCCUPATION, TERM, NATIONALITY, DATE OF BIRTH AND DIN	AGE	OTHER DIRECTORSHIPS
Re-appointment as Independent Director: NA Tenure: 5 years from the date appointment		
NIKITA NATWARLAL MORADIA Designation: Independent Director DIN: 08530305 Date of Birth: 22.06.1994 Occupation : Business Address: A -59/302, Shanti Nagar, Near Jain Mandir, Sector – 3, Thane, Maharashtra - 401107 Nationality: Indian Original Date of Appointment: 06.08.2019 Re-appointment as Independent Director: NA Tenure: 5 years from the date appointment	28	<ul style="list-style-type: none"> • NIL

BRIEF DETAILS OF OUR DIRECTORS

YUVRAJ MALHOTRA

MR. YUVRAJ MALHOTRA, age 56 years, is Chairman & Managing Director of the Company and has been associated with the Company since inception. He is instrumental in development and growth of the Company. He is an Engineering graduate with specialization in Mechanical Engineering. He has 32 years' experience in Forging Industry and looks after Marketing and the day-to-day affairs of the Company. He started his career from Mukund Iron & Steel Limited as Engineering Trainee for the year 1989 to 1991. From 1991-1993, he worked with Akai Impex Limited (Export House) as a materials Manager. From 1993-1994 he worked with Garg Forgings Pvt. Limited as a Director. From 1994-1997, he worked with Viraj Forging Limited as a Vice President –Marketing. After resigning from Viraj Forging Limited, in 1997 he started his own proprietorship i.e M/s Hilton Forge by exporting Flanges and other Automobiles Part to various countries.

SUKESH KUMAR JOSHI

Mr. SUKESH JOSHI, aged 64 years, has done Bachelor of Engineering & Technology, having more than 39 years of Experience in Various areas of Engineering & Technology Design, development, Manufacturing, new product & New Business development thru inorganic growth in the field of Engines, Tractors & Generating sets.

He worked at senior positions in companies like M/s HMT Ltd., M/s Force Motors Ltd & M/s Mahindra & Mahindra Ltd, leading development of new products & converting them to business models with customer delight. During his tenure with M&M had worked in China for about 7 years to bring in Joint ventures thru techno- commercial skills.

SANDEEP SHAH

MR. SANDEEP SHAH, age 55 Years, He is a Commerce Graduate, having more than 35year experience in corporate affair and secretarial field. He is non-executive and Independent Director of the Company.

SANJAY JAIN

MR. SANJAY JAIN, age 47 years, is a Non-Executive and Independent Director of the Company. He is an Engineering graduate with specialization in Metallurgy. He has about 24 years of experience in the industry.

NIKITA MORADIA

MS NIKITA MORADIA, aged 28 years, she is a Master of Business Administration and Post Graduate in commerce faculty besides having completed NCFM (cash Segment) and GFMA STAR (BSE). She is a non-executive and Independent Director of the Company, having more than 5 Years of experience in security and debt market.

PRITHIVISH MUNDRA

MR. PRITHIVISH MUNDRA, aged 28 years, is a Master of Management Studies (Finance) and Bachelor of Finance Management. Non-executive and Independent Director of the Company, having more than 4 years' experience in investment and derivatives management/banking sector.

PAST DIRECTORSHIPS IN SUSPENDED COMPANIES

Further, none of our Directors are or were a director of any listed company, which has been, or was suspended from any stock exchange during the term of their directorship in such Company during the last 5 (Five) years preceding the date of this Letter of Offer.

OUR PROMOTERS & PROMOTER GROUP

YUVRAJ MALHOTRA

MR. YUVRAJ MALHOTRA, age 56 years, is one of the main promoters of the Company and has been associated with the Company since inception. He is instrumental in development and growth of the Company. He is an Engineering graduate with specialization in Mechanical Engineering. He has 32 years' experience in Forging Industry and looks after Marketing and the day-to-day affairs of the Company. He started his career from Mukund Iron & Steel Limited as Engineering Trainee for the year 1989 to 1991. From 1991-1993, he worked with Akai Impex Limited (Export House) as a materials Manager. From 1993-1994 he worked with Garg Forgings Pvt. Limited as a Director. From 1994-1997, he worked with Viraj Forging Limited as a Vice President –Marketing. After resigning from Viraj Forging Limited, in 1997 he started his own proprietorship i.e M/s Hilton Forge by exporting Flanges and other Automobiles Part to various countries.

MR. NAVRAJ MALHOTRA

Mr. Navraj Malhotra, Age 54 Years, is the head of production of the company and has been associated since incorporation. He has voluntarily resigned from the post of Whole Time Director on March 31, 2022. He has an innovative mindset and a fire for developing new products in the premises. He is a B.COM graduate with 25 years of experience in the forging industry.

MRS. DIKSHA MALHOTRA

Mrs. Diksha Malhotra, Age 53 Years is one of the main promoters of the company and has been associated with the company since incorporation. She is instrumental in development and growth of the company. She herself is a B.com Graduate and looks after the marketing division of the company.

MR. MOHAK MALHOTRA

Mr. Mohak Malhotra, aged 25 years looks after the entire finance and administration of the company and has been associated with the company for 5 years. He is a B.com Graduate as well as a Chartered Accountant Aspirant. He is very much keen in the development and growth of the company. He has undertaken responsibility for dealing with Banks, Financial Institutions and prospective shareholders and investors and is currently looking after the Right Issue.


MRS. SEEMA GUJRAL

Mrs. Seema Gujral, Aged 52 Years is a B.Ed Graduate and is no more associated with the day to day working of the company. She currently resides in New Delhi.

As on date of letter of offer, Shareholding of Promoters and Promoter Group

SR. NO.	NAME	NO. OF SHARES	PERCENTAGE (%)
1	MR. YUVRAJ MALHOTRA	53,87,559	35.92
2	MRS. DIKSHA MALHOTRA	3,44,871	2.30
3	MR. MOHAK MALHOTRA	1,065	0.01
4	MR. NAVRAJ MALHOTRA	1,49,653	1.00
5	MRS. SEEMA GUJRAL	6,000	0.04

SECTION VII – FINANCIAL INFORMATION



Anil Bansal & Associates

— CHARTERED ACCOUNTANTS —

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Financial Results Pursuant To the Regulation 33 of the Sebi (Listing Obligations and Disclosure Requirements) Regulations, 2015, As Amended

TO THE BOARD OF DIRECTORS OF HILTON METAL FORGING LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Hilton Metal Forging Limited (the "Company") for the quarter ended June 30, 2021 and year to date from April 01, 2022 to June 30, 2022 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Reg. Office: 1001, IJMIMA Complex, Raheja's Metroplex, Link Road, Malad (West), Mumbai - 400064.

Phone: 022 - 49795471

E-mail: info@caanilbansal.com / anilbansal1001@gmail.com

Website: www.caanilbansal.com




Anil Bansal & Associates

— CHARTERED ACCOUNTANTS —

5. We draw attention to note 4 of the financial results which describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the carrying value of its assets as at June 30, 2022 and the operations of the Company. Our conclusion is not modified in respect of this matter.

For: Anil Bansal & Associates
Chartered Accountants
ICAI Firm Registration Number 100421W


Per Anil Bansal
Partner
Membership Number 043918



UDIN: 22043918AOWREP4563
Place: Mumbai
Date: 12th August, 2022

Reg. Office: 1001, IJMIMA Complex, Raheja's Metroplex, Link Road, Malad (West), Mumbai - 400064.

Phone: 022 - 49795471

E-mail: info@caanilbansal.com / anilbansal1001@gmail.com

Website: www.caanilbansal.com

HILTON METAL FORGING LIMITED

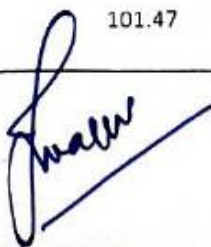
CIN NO L 28900 MH 2005 PLC 154986

Regd Office : 701 Palm Spring, Link Road, Malad West, Mumbai 400 064. Maharashtra, India.

Website : Hiltonmetal.com, Email : secretarial@hiltonmetal.com,

Telephone : 022 4042 6565 Fax No 022 4042 6566

Unaudited Financial Results of Hilton Metal Forging Limited for the Quarter ended 30th June 2022				
Particulars	Quarter Ended 30.06.2022	Quarter Ended 31.03.22	Quarter Ended 30.06.2021	Year Ended 31.03.2022
	Unaudited	Audited	Unaudited	Audited
1 a) Revenues from Operations	1,784.66	3,328.87	784.93	8,413.97
b) Other Income Net	3.34	(0.90)	2.93	5.02
Total Income	1,788.00	3,327.97	787.86	8,418.99
2 Expenses				
a) Cost of Raw material and Component Consumed	1,394.45	3,518.69	559.45	7,635.85
b) Purchase of Stock in Trade / products	-	-	-	-
c) Change in Inventory of Finished Goods, work-in-progress, dies and Scrap	(157.58)	(758.69)	12.08	(830.40)
d) Employee Benefit Expenses	83.19	78.08	57.58	342.86
e) Finance Costs	119.32	165.93	75.28	418.01
f) Depreciation	57.59	79.94	58.36	254.19
g) Other Expenses	164.40	221.02	199.41	714.07
Total Expenses (a to g)	1,661.36	3,304.95	962.16	8,534.58
3 Profit before Exceptional Items and Tax (1 - 2)	126.64	23.01	(174.31)	(115.59)
4 Exceptional items (Gain/(Loss))	-	-	-	134.21
5 Profit Before Tax (3 - 4)	126.64	23.01	(174.31)	(249.81)
6 Tax Expenses				
Current Tax	-	-	-	-
Mat Entitlement	-	-	-	-
Deffered Tax	25.17	(317.80)	(22.91)	(426.02)
Total Tax Expenses	25.17	(317.80)	(22.91)	(426.02)
7 Profit /(Loss) after tax (5 - 6)	101.47	340.81	(151.40)	176.21
8 Profit / (-Loss) from discontinued operations	-	-	-	-
9 Tax Expenses on discontinued operations	-	-	-	-
10 Profit / (-Loss) from discontinued operations after Tax	-	-	-	-
11 Profit (Loss) for the period (7 + 10)	101.47	340.81	(151.40)	176.21




12	Other Comprehensive Income :				
	Account	-	-	-	-
	reclassified to Profit and Loss account	-	-	-	-
	B - i) items that will be classified to Profit & Loss Account to Profit and Loss account	-	-	-	-
13	(comprising Profit (Loss) and other comprehensive paid-up Equity Share capital (Rs in Lacs) (face Value of Rs 10 Each)	101.47	340.81	(151.40)	176.21
		1,244.30	1,244.30	1,244.30	1,244.30
14	Earning per Equity share for Continued Operations				
	1. Basic	0.82	2.74	(1.22)	1.42
	2. Diluted	0.82	2.74	(1.22)	1.42
15	Earning per Equity share for Discontinued Operations				
	1. Basic	-	-	-	-
	2. Diluted	-	-	-	-
18	Operations				
	1. Basic	0.82	2.74	(1.22)	1.42
	2. Diluted	0.82	2.74	(1.22)	1.42

Notes:

- The above Results have been reviewed by the audit committee and approved by the Board of Directors held on 12th August 2022 and have been subject to limited review by the Statutory Auditors.
- Financial results of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) rule 2015, as amended and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.
- The previous period figures have been regrouped/re-arranged wherever necessary to make them comparable with those of the Current period
- The spread of COVID 19 has severely impacted business in many countries including India and there has been severe disruption to regular business operations due to lockdown and other emergency measures. The Company has made assessment of liquidity, recoverable values of its financial and non-financial assets and has concluded that there are no material adjustment required in the interim financial results. However, the impact assessment of COVID-19 is a continuous process, given the uncertainties associated with its nature and duration. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor any material changes to future economic conditions.
- The company manufactures "Forging Components" like flanges and forged fittings and the management reviews the performance of the company as a single operating segment in accordance with Ind-AS 108 "Operating Segments" notified pursuant to Companies (Accounting Standard) Rules, 2015. Accordingly, no segment information / segment has been furnished herewith.
- The results will be available on the Company's website: www.hiltonmetal.com




HILTON METAL FORGING LIMITED
FORGING AS YOU LIKE ...



Regd Office: 701 Palm Spring, Link Road, Malad (w), Mumbai 400 064

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30TH JUNE 2022

Particulars	Quarter Ending	Previous Year Ending	Corresponding
			3 Months ended in the previous Year
	30/6/2022	31/3/2022	30/6/2021
Total Income from Operations (Net)	1,788.00	8,418.99	787.86
Net Profit / (Loss) for the period (before tax, Exceptional and/or Extraordinary items)	126.64	(115.59)	(174.31)
Net Profit / (Loss) for the period before tax after Exceptional and/or Extraordinary items	126.64	(115.59)	(174.31)
Net Profit / (Loss) for the Period After Tax (After exceptional Extraordinary Items)	101.47	176.21	(151.40)
Total Comprehensive Income for the period (comprising Profit / (Loss) for the period (after tax) and other comprehensive income (after Tax)	101.47	176.21	(151.40)
Equity Share Capital	1244.30	1244.30	1244.30
Reserves as shown in the Balance	4800.95	4699.48	4749.77
continuing and discontinuing			
Basic	0.82	1.42	(1.22)
Diluted	0.82	1.42	(1.22)

Note : The above is an extract of the detailed format of Quarter /Annual Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulation, 2015. The full format of the Quarter/Annual Financial Results are available on the Stock Exchange websites (URL of the Filings)

For Hilton Metal Forging Limited

Place : Mumbai
Dated : 12-08-2022



[Signature]
Chairman and Managing Director

Anil Bansal & Associates

Chartered Accountants
1001, IJMIMA Complex,
Link Road, Malad (West),
Mumbai – 400064.

Independent Auditor's Report

To,
The Members of Hilton Metal Forging Limited

Report on the Financial Statements**Opinion**

We have audited the financial statements of Hilton Metal Forging Limited ("the Company"), which comprise the Balance Sheet as at March 31st, 2022, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis on Matters

Refer note no. 44 to the financial results Out of the total debtors of Rs.614.22 Lakhs As at March 31, 2022, Rs.475.71 Lakhs has more than one year at the year end. As explained to us, management is in discussion with these debtors to expedite the recoverability of the above aforesaid outstanding amounts and believes that the entire amount is fully recoverable. Therefore, no provision is considered necessary in these financial statements in this regard.

Refer note no. 45 to the financial results which explain the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to COVID-19 pandemic situation, for which definitive assessment of the impact in the subsequent period is dependent upon circumstances as they evolve.

Our opinion is not qualified in respect of above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by Section 143(3) of the Act, we further report that:
 - a. We have sought and 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, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.



- d. Except for the matter described in the Basis of Emphasis on Matters paragraph, in our opinion, the aforesaid financial statements comply with applicable Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on 31st March, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the matter to be included in the Auditors' Report in accordance with the requirements of section 197(16), as amended;
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- h. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements, if any;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - (v) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

For Anil Bansal & Associates
Chartered Accountants
Firm registration number:100421W


Anil Bansal
Partner
Membership no.: 043918
UDIN: 22043918AJEWKL7812
Place: Mumbai
Date: 18th May, 2022



ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" Section of our report of even date]

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deeds provided to us, we report that the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
 - d. The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.
 - e. According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. In respect of Inventory and Working Capital Limits
 - a. The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. According to the information and explanation provided to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
 - b. The company has been sanctioned working capital limits in excess of five crore rupees and the company has availed the said limit during the year, in aggregate, from banks or financial institutions on the basis of security of current assets.
 - c. According to the information and explanation provided to us and our observations, statements filed by the company with banks in agreement with the books of account of the Company.
- iii.
 - a. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.
- v. According to the information and explanation given to us, the Company has not accepted any deposits covered under section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the central government under section 148(1)(d) of the Companies Act, 2013 and are of the opinion that, Prima Facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



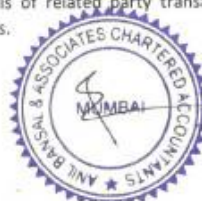
- vii. According to the information and explanations given to us, in respect of statutory dues:
- According to Information and explanation given to us, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and other material statutory dues have generally regularly deposited with the appropriate authorities though there has been a delay in a few cases.
 - According to the information and explanations provided to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Service Tax, Sales-Tax, Goods and Services Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- ix. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has defaulted in repayment of dues to bank during the year. The details are as under;

Particulars	Amount of default as at balance sheet date	Period of default	Remarks, if any.
State Bank of India	229.80 Lakhs	0-89 Days	Subsequently Rs. 214.23 Lakhs is repaid till the date of signing the balance sheet.
ICICI Bank	36.79 Lakhs	0-60 Days	Subsequently same is repaid till the date of signing the balance sheet.

- The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - The Company has raised new working capital term loans under GECL during the year. The term Loans outstanding at the beginning of the year been applied for the purposes for which they were raised.
 - On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
 - The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. a. Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c. According to the information and explanations given to us, there is no whistle blower complaint has been received by the company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us,, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.



- xiv. a. Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business but its requires to be more strengthen or improvement needed.
- b. We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. According to information and explanation given to us, the Company is not required to be registered uls 45-IA of Reserve Bank of India Act, 1934. Accordingly, provision of clause 3(xvi) of the Order is not applicable to the Company.
- xvii. According to the information and explanations given to us, the company has not incurred cash losses in the current financial year but it was incurred in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Anil Bansal & Associates
Chartered Accountants
Firm registration number:100421W


Anil Bansal
Partner
Membership no.: 043918
UDIN: 22043918AJEWKL7812
Place: Mumbai
Date: 18th May, 2022



ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (l) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls with accompanying financial statements of Hilton Metal Forging Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, in conjunction with our audit of the financial statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Anil Bansal & Associates
Chartered Accountants
Firm registration number:100421W


Anil Bansal
Partner
Membership no.: 043918
UDIN: 22043918AJEWKL7812
Place: Mumbai
Date: 18th May, 2022



HILTON METAL FORGING LIMITED
CIN: L28900MH2005PLC154986
Balance sheet as at 31st March 2022

	Notes	As at	
		31 st March 2022 Rs. In Lacs	31 st March 2021 Rs. In Lacs
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,993.75	3,216.14
Capital work-in-progress	3	848.38	-
Investment property	4	87.27	87.27
Financial assets			
Investment	5	0.50	0.50
Trade receivables	6	475.71	449.79
Other Non-current Financial Assets	7	25.29	26.99
Deferred tax assets (Net)	8	148.97	-
		4,579.86	3,780.69
Current assets			
Inventories	9	5,464.16	5,399.35
Financial assets			
Trade receivables	6	138.52	941.86
Cash and cash equivalents	10	29.71	6.41
Other balances with banks	11	94.48	91.20
Other financial assets	7	13.13	10.93
Other current Assets	12	1,082.15	1,069.05
		6,822.15	7,518.80
Total assets		11,402.01	11,299.49
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	1,244.30	1,244.30
Other equity	14	3,243.39	3,067.18
Total Equity		4,487.69	4,311.48
Non-current liabilities			
Financial Liabilities			
Borrowings	15	1,855.61	1,505.88
Provisions	16	82.07	79.85
Deferred tax liabilities (Net)	17	-	277.05
		1,937.68	1,862.79
Current liabilities			
Financial liabilities			
Borrowings	15	3,876.94	3,867.54
Trade Payables	18	206.98	291.04
Other financial liabilities	19	294.97	359.86
Provisions	16	12.84	12.70
Other current liabilities	20	584.91	594.08
Current Tax Liability	21	-	-
		4,976.64	5,125.22
Total		11,402.01	11,299.49

Significant accounting policies and Notes to the financial statements

2 to 49

As per our report of even date
For: Anil Bansal & Associates
Chartered Accountants
Firm registration number:100421W

Anil Bansal
Partner
Membership no. 043918
Place : Mumbai
Date : 18th May, 2022



For and on Behalf of Board of
Hilton Metal Forging Limited

Yuvraj Malhotra
Chairman/Managing Director
(DIN-00225156)

Richa Pankaj Shah
Company Secretary
(DERP51049D)

Nikita Moradia
Director
(DIN-08530305)

Siddharth Jain
CFO
(ATJPJ8685J)

HILTON METAL FORGING LIMITED
CIN: L28900MH2005PLC154986
Statement of profit and loss for the year ended 31st March 2022

	Notes	For the year ended 31 st March 2022 Rs. In Lacs	For the year ended 31 st March 2021 Rs. In Lacs
Income			
Revenue from operations	22	8,413.97	4,751.57
Other Income	23	5.02	18.24
Total Revenue		8,418.99	4,769.81
Expenses:			
Cost of materials consumed	24	7,635.85	4,872.35
Change in inventories of finished goods and Working in Progress	25	(830.40)	404.19
Employee benefit expenses	26	342.86	358.93
Depreciation & amortization expenses	27	254.19	252.00
Finance cost	28	418.01	394.14
Other expenses	29	714.07	838.18
Total expenses (II)		8,534.59	7,119.80
Profit/(loss) Before Exceptional Item		(115.60)	(2,349.99)
Exceptional Item		134.21	-
Profit/(loss) Before Tax		(249.81)	(2,349.99)
Expense:		-	-
Current Tax		(426.02)	(392.81)
Deferred tax		(426.02)	(392.81)
Total tax expenses		176.21	(1,957.17)
Profit/(loss) After Tax		176.21	(1,957.17)
Other comprehensive income:			
i. Items that will not be reclassified to Statement of Profit and Loss		-	-
ii. Income tax relating to items that will not be reclassified to Statement of Profit and Loss		-	-
iii. Items that will be reclassified to Statement of Profit and Loss		-	-
Total comprehensive income for the year		176.21	(1,957.17)
Profit/(loss) transfer to balance sheet		176.21	(1,957.17)
Earnings per equity share of face value of ₹ 10 each	30		
Basic (in ₹)		1.42	(15.73)
Diluted (in ₹)		1.42	(15.73)
Significant accounting policies and Notes to the financial statements	2 to 49		

As per our report of even date
For: Anil Bansal & Associates
Chartered Accountants
Firm registration number:100421W

Anil Bansal
Partner
Membership no. 043918
Place : Mumbai
Date : 18th May, 2022



For and on Behalf of Board of
Hilton Metal Forging Limited

Yuvraj Malhotra
Chairman/Managing Director
(DIN-00225156)

Richa Pankaj Shah
Company Secretary
(DERPS1049D)

Nikita Moradia
Director
(DIN-08530305)

Siddharth Jain
CFO
(ATJPJ8685J)

HILTON METAL FORGING LIMITED
CIN: L28900MH2005PLC154986
Cash Flow Statement for the year ended 31st March, 2022

	Notes	For the year ended 31 st March 2022 Rs. In Lacs	For the year ended 31 st March 2021 Rs. In Lacs
Cash flow from operating activities			
Profit before tax and after prior period items		(115.60)	(2,349.99)
Non-cash adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortization		254.19	252.00
Finance costs		418.01	394.14
Interest / Rent Income income		(4.97)	(18.22)
Dividend income		(0.05)	-
Operating profit before working capital changes		551.58	(1,722.07)
Movements in working capital:			
Decrease/(increase) in inventories		(64.81)	1,280.19
Decrease/(increase) in trade receivables		777.43	2,424.39
Decrease/(increase in) in loans, financial and other assets		(183.32)	(146.65)
Increase/(decrease) in short term borrowings		9.40	484.11
Increase/(decrease) in trade payables		(84.06)	(2,151.26)
Increase/(decrease) in loans, financial & other liabilities		(351.11)	(515.64)
Increase/(decrease) in provisions		2.35	(0.74)
Cash generated from / (used in) operations		657.45	(347.66)
Direct taxes paid (net of refunds)		426.02	392.81
cash flow before extraordinary item		1,083.47	45.16
Extra ordinary item		(134.21)	-
Net cash flow from/ (used in) operating activities (A)		949.26	45.16
Cash flows from investing activities			
Addition of property, plant and equipment		(859.42)	(244.37)
interest received / rent received		4.97	18.22
Dividend received		0.05	-
		(854.39)	(226.14)
Cash flows from financing activities			
Long term borrowing / repayment (net)		349.73	512.83
Finance cost		(418.01)	(394.14)
Net cash flow from/ (used in) in financing activities (C)		(68.28)	118.68
Net increase/(decrease) in cash and cash equivalents (A + B + C)		26.58	(62.30)
Cash and cash equivalents at the beginning of the year		97.61	159.91
Cash and cash equivalents at the end of the year		124.19	97.61
Components of cash and cash equivalents			
Cash on hand		29.49	1.24
With banks- on current account		94.70	96.37
Total cash and bank equivalents		124.19	97.61

Significant accounting policies and Notes to the financial statements

2 to 49

As per our report of even date
 For: Anil Bansal & Associates
 Chartered Accountants
 Firm registration number:100421W

Anil Bansal
 Partner
 Membership no. 043918
 Place : Mumbai
 Date : 18th May, 2022



For and on Behalf of Board of
 Hilton Metal Forging Limited

Yuvraj Malhotra
 Chairman/Managing Director
 (DIN-00225156)

Richa Pankaj Shah
 Company Secretary
 (DERP51049D)

Nikita Moradia
 Director
 (DIN-08530305)

Siddharth Jain
 CFO
 (ATJPJ8685J)

HILTON METAL FORGING LIMITED
CIN: L28900MH2005PLC154986

Statement of change in equity for the year ended 31st March 2022

A. EQUITY SHARE CAPITAL

	Rs. In Lacs		
Balance at the beginning of the reporting period i.e. 1st April, 2020	Changes in Equity Share capital during the year 2020-21	Balance at the end of the reporting period i.e. 31st March, 2021	Changes in Equity Share capital during the year 2021-22
1,244.30	-	1,244.30	-
			Balance at the end of the reporting period i.e. 31st March, 2022
			1,244.30

B. OTHER EQUITY

Particulars	Rs. In Lacs			
	Reserve & Surplus			
	General Reserve	Securities Reserve	Retained Earnings	Item of other comprehensive income
Balance at the beginning of the reporting period i.e. 1st April, 2020	515.53	3,361.81	1,109.74	37.27
Profit/(loss) for the year	-	-	(1,957.17)	-
Other comprehensive Income including net of Tax	-	-	-	-
Balance at the end of the reporting period i.e. 31st March, 2021	515.53	3,361.81	(847.43)	37.27
Balance at the beginning of the reporting period i.e. 1st April, 2021	515.53	3,361.81	(847.43)	37.27
Profit/(loss) for the year	-	-	176.21	-
Other comprehensive Income including net of Tax	-	-	-	-
Balance at the end of the reporting period i.e. 31st March, 2022	515.53	3,361.81	(671.22)	37.27
				Total
				5,024.35
				(1,957.17)
				3,067.18
				176.21
				3,243.40

Significant accounting policies and Notes to the financial statements 2 to 49

As per our report of even date
For: Anil Bansal & Associates
Chartered Accountants
Firm registration number:100421W



Anil Bansal
Partner
Membership no. 043918
Place : Mumbai
Date : 18th May, 2022

For and on Behalf of Board of
Hilton Metal Forging Limited

Yuvraj Malhotra
Chairman/Managing Director
(DIN-00225156)

Richa Pankaj Shah
Company Secretary
(DERPS1049D)

Nikita Moradia
Director
(DIN-08530305)

Siddharth Jain
CFO
(ATJP18685I)



HILTON METAL FORGING LIMITED

CIN: L28900MH2005PLC154986

Notes to the Financial Statement for the year ended March 31, 2022

Note No. 1 – Corporate Information:

- a) Hilton Metal Forging Limited established in 2005 is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at 701 Palm Spring, Link Road, Malad West, Mumbai 400064, Maharashtra and plant at Ghonsai Village, Wada Taluka, Palghar Dist.
- b) The Company is primarily engaged in the business of manufacturing of iron and steel forging, recognized export house, presently catering to the needs of Oil and Gas, Refineries and pharmaceutical industries.

Note No. 2 – Significant accounting policies:

a) Statement of compliance:

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

b) Basis of preparation of financial statements

These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

- i. The financial statements of the Company are prepared in accordance with and to comply in all material aspect with the Indian Accounting Standards (Ind AS).
- ii. The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest lacs, except otherwise indicated.

Previous year's figures have been regrouped / reclassified wherever necessary to conform with the current year's classification / disclosures.

c) Use of estimates and judgments

- i. The preparation of the financial statements in conformity with Ind AS requires Management to make Judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, revenue and expenses, disclosure of



HILTON METAL FORGING LIMITED

CIN: L28900MH2005PLC154986

Notes to the Financial Statement for the year ended March 31, 2022

contingent liabilities as at the date of the financial statements Such assumptions are based on management’s evaluation of relevant facts and circumstances as on date of financial statements. The actual out-come may diverge from these estimates.

- ii. Estimates and assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period effect.

d) Property, plant and equipment

- i. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to Statement of Profit and Loss in the period in which the costs are incurred.
- ii. Assets in the course of construction are capitalised in the assets under capital work in progress account (CWIP). At the point when an asset is operating at management’s intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimated cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized. Revenue generated from production during the trial period is capitalised.

e) Depreciation

- i. Depreciation on tangible assets is provided as per the provisions of Part B of Schedule II of the Companies Act, 2013. The management believes that the estimated useful lives are restrict and reflects fare approximation of the period were which the assets are likely to be used.
- ii. Depreciation on Property, plant and equipment is calculated on a straight –line basis, from the month of addition, using estimated useful lives, as specified in schedule II to the Companies Act 2013, except in respect of following assets:

Particulars	Useful life as per management (as technically assessed)	Useful life under schedule II of Companies Act, 2013
Buildings	Up to 60years	60years
Plant & Machinery	10 to 25 years	15 years
Vehicles	10 years	10 years
Furniture & Fixtures	10 to 13 years	10 years
Computer Software	3 to 6 years	3 to 6 years
Office Equipment	7 to 12 years	5 years



HILTON METAL FORGING LIMITED

CIN: L28900MH2005PLC154986

Notes to the Financial Statement for the year ended March 31, 2022

f) Borrowing costs

- i. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.
- ii. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset. The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

g) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

h) Inventories

Cost of inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories of stores, spare parts, coal, fuel and loose tools are stated at the lower of weighted average cost or net realizable value. Net realisable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale. In continuation with the accounting policies followed last year, the Company has considered Dies and Moulds as part of Inventory as the consumable items and the same is amortised as done in the earlier as well as current financial years.

i) Revenue recognition**i) Sale of goods**

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31st March, 2018 and for the period 1st April to 30 June, 2017 were



HILTON METAL FORGING LIMITED**CIN: L28900MH2005PLC154986****Notes to the Financial Statement for the year ended March 31, 2022**

reported gross of Excise Duty and net of Value Added Tax (VAT) / Sales Tax. Excise Duty was reported as separate expense line item. Consequent to the introduction of Goods and Service Tax (GST) with effect from 1 July, 2017, VAT/Sales tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS 18.

ii) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition

iii) Income from Services

Income from services rendered is recognised based on the terms of the agreements as and when services are rendered and are net of applicable taxes.

j) Foreign currency transactions and foreign operations

The functional currency of the Company is the Indian Rupees (INR). These financial statements are presented in Indian Rupees.

Foreign currency transactions are recorded in the functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. All foreign currency monetary assets and monetary liabilities as at the Balance Sheet date are translated into the functional currency at the applicable exchange rate prevailing on that date. All the exchange differences arising on translation, are recognised in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Gain or losses upon settlement of foreign currency transactions are recognized in the Statement of Profit and Loss for the period in which the transaction is settled.

k) Employee benefits**Short term employee benefits:**

Short-term employee benefits are expensed as related service as provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Contribution towards provident fund is made to the recognized funds, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on monthly basis.



HILTON METAL FORGING LIMITED

CIN: L28900MH2005PLC154986

Notes to the Financial Statement for the year ended March 31, 2022

Defined benefit plans:

Provision for incremental liability in respect of gratuity and leave encashment is made as per independent actuarial valuation on projected unit credit method made at the year-end.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expenses (income) on the defined liability (asset) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit or loss.

I) Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss, except to the extent it relates to items directly recognized in equity or in other comprehensive income.

i) Current tax

Current tax is the amount of tax payable based on the taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax ('MAT')

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit



HILTON METAL FORGING LIMITED**CIN: L28900MH2005PLC154986****Notes to the Financial Statement for the year ended March 31, 2022**

entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

Current and deferred tax for the year: Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

m) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders.

n) Provisions and contingencies

The Company recognizes provisions when there is a present obligation (legal or constructive) as a result of a past event, that probably requires an outflow of resources and reliable estimate can be made of the amount of the obligation.

A disclosure for contingent liabilities is made where there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

A present obligation that arises from past events but is not recognized because:

i. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

ii. The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period. Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

o) Financial instruments

The company enters into foreign exchange forward contracts to manage its foreign exchange rate risk.

Derivatives are initially recognised at fair value at the end of each reporting period. The resulting gain or loss is recognized in statement of profit and loss immediately.



HILTON METAL FORGING LIMITED

CIN: L28900MH2005PLC154986

Notes to the Financial Statement for the year ended March 31, 2022

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

p) Financial assets**i. Recognition and Initial measurement**

Financial assets are recognised when the company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value and transaction costs are expensed in the Statement of Profit and Loss.

ii) Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (i) The entity's business model for managing the financial assets and
- (ii) The contractual cash flow characteristics of the financial asset.

iii) Classification of financial assets**Debt Instruments**

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition);

- (a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- (b) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in Statement of Profit and Loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in Statement of Profit and Loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to Statement of Profit and Loss. All other financial assets are subsequently measured at fair value.



HILTON METAL FORGING LIMITED

CIN: L28900MH2005PLC154986

Notes to the Financial Statement for the year ended March 31, 2022

q) Financial liabilities and equity instruments

i) Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

iii) Financial liabilities

All Financial liabilities are measured at amortized cost using effective interest method or fair value through profit and loss. However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below;

(a) Amortized Cost

Financial liabilities are classified as financial liabilities at amortised cost by default. Interest expenses calculated using effective interest rate method is recognised in the statement in profit and loss.

(b) Financial liabilities at FVTPL

Financial liabilities are classified as FVTPL if it is held for trading, or is designated as such on initial recognition. Changes in fair value and interest expenses on these liabilities are recognised in the statement of profit and loss

(c) De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations when, and only when, the Company's obligations are discharged, cancelled or have expired.



HILTON METAL FORGING LIMITED

CIN: L28900MH2005PLC154986

Notes to the Financial Statement for the year ended 31st March, 2022

Note 3 - Property, Plant and equipment

Particulars	Gross Block of Assets				Depreciation			Net Block	
	As on 01/04/2021	Addition/ Transfer	Disposal/ Transfer	As on 31/3/2022	As on 01/04/2021	During the year	Deduction	As on 31/03/2022	As on 31/03/2021
	(Rs. In Lacs)								
Land	137.59	-	-	137.59	-	-	-	-	137.59
Building and Shed	745.98	-	-	745.98	258.56	13.24	-	271.80	487.42
Staff Quarters	106.46	-	-	106.46	37.83	1.95	-	39.78	68.63
Office Premises	1.70	-	-	1.70	1.70	-	-	1.70	0.00
Plant & Machinery	4,668.34	1.22	-	4,669.56	2,207.36	199.53	-	2,406.89	2,460.98
Electrical Installation	95.35	-	-	95.35	73.44	7.35	-	80.79	14.56
Motor Car	6.73	-	-	6.73	6.40	-	-	6.40	0.34
Office Equipment	36.94	-	-	36.94	26.04	2.45	-	28.49	10.91
Designs & Drawings	0.68	-	-	0.68	0.65	-	-	0.65	0.03
Computer	44.30	1.00	-	45.29	39.13	2.39	-	41.52	3.77
Furniture & Fixtures	92.07	8.82	-	100.89	68.91	6.51	-	75.42	25.47
Total	5,936.15	11.04	-	5,947.19	2,720.01	233.43	-	2,953.44	3,216.14
At 31st March 2021	5,716.83	219.32	-	5,936.15	2,493.07	226.95	-	2,720.01	3,223.77
Capital Work in Progress*	-	-	-	-	-	-	-	-	848.38

*The semi-finished goods of Rs. 848.38 Lakhs (previous year, Nil) has been used for Captive consumption in parts of plant & machinery and dies, mould & inserts which is under process at the end of the financial year.



HILTON METAL FORGING LIMITED

CIN: L28900MH2005PLC154986

Notes to the Financial Statement for the year ended 31st March, 2022

Note 4- Investment Property

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
Property held with investment	87.27	87.27
Total	87.27	87.27

Note 5- Non Current Investment

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
<u>Unquoted Shares</u>		
500 Equity Shares (P.Y. 500) of Rs. 100 each, fully paid up of Saraswat Co-Op Bank Ltd	0.50	0.50
Total	0.50	0.50

Note 6 - Trade receivables

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
Non-current		
Unsecured, considered good	475.71	449.79
Total	475.71	449.79
Current		
Unsecured, considered good	138.52	941.86
Total	138.52	941.86

Note 6.1 - Trade receivables ageing schedule for the year ended

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
<u>Undisputed Trade receivables</u>		
Less than 6 Months	128.02	833.06
6 Months to 1 year	10.50	108.80
1-2 years	18.09	77.73
2-3 years	57.84	139.25
More than 3 years	399.78	232.81
<u>Disputed Trade receivables</u>	-	-
	614.22	1,391.65

Note 7 - Other Financial Assets

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
Non-current		
<u>Secured - Considered Good</u>		
Security deposit	25.29	26.99
Total	25.29	26.99



HILTON METAL FORGING LIMITED
CIN: L28900MH2005PLC154986
Notes to the Financial Statement for the year ended 31st March, 2022
Current
Secured - Considered Good

Security deposit	9.61	6.58
Interest accrued on fixed deposit	3.52	4.36
Total	13.13	10.93

Note 8 - Deferred tax liabilities (Net)

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
<u>Deferred tax liabilities</u>		
Related to fixed assets (net of losses)	148.97	-
Deferred tax liabilities (Net)	148.97	-

Note 9 - Inventories

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
Raw Material (including Goods in Transit)	2,640.66	2,579.25
Semi Finished Goods	1,187.32	1,183.43
Finished Goods	61.31	64.32
Store, Spares & Consumables	34.22	38.07
Dies and Inserts	1,540.64	1,534.28
Total	5,464.16	5,399.35

*The semi finished goods of Rs. 829.52 Lakhs (previous year, Rs.673.65 Lakhs) has been used for Captive consumption in dies, mould & inserts and part of plant and machinery.

Note 10 - Cash and Cash Equivalents

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
Cash in hand	29.49	1.24
<u>Balance with banks:</u>		
On current accounts	0.22	5.17
Total	29.71	6.41

Note 11 - Other balances with banks

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
<u>Other balance with banks</u>		
Unpaid dividend account	0.69	1.15
EEFC account	1.00	1.03
Earmarked deposit accounts	92.79	89.02
Total	94.48	91.20

Note 12 - Other current Assets

(Unsecured, Considered Good)

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
Balance with Statutory Authorities	259.33	203.81
Others advances	822.82	865.24
Total	1,082.15	1,069.05



HILTON METAL FORGING LIMITED
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Notes to the Financial Statement for the year ended 31st March, 2022
Note 13 - Share Capital

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
a. Authorised Shares		
15,000,000 (Previous year 15,000,000) Equity Shares of Rs. 10/- each.	1,500.00	1,500.00
Issued, Subscribed and fully paid -up Shares		
12,443,016 (Previous year 12,443,016) Equity Shares of Rs. 10/- each.	1,244.30	1,244.30
Total Issued, Subscribed and fully paid -up Shares	<u>1,244.30</u>	<u>1,244.30</u>

b. Reconciliation of number of shares outstanding
Equity Share Capital

Particular	As at 31 st March 2022		As at 31 st March 2021	
	Share in Lacs	Rs. In Lacs	Share in Lacs	Rs. In Lacs
As at the beginning of the year	124.43	1,244.30	124.43	1,244.30
Add: Addition during the year	-	-	-	-
As at the end of the year	<u>124.43</u>	<u>1,244.30</u>	<u>124.43</u>	<u>1,244.30</u>

c. Term/ Right Attached to Equity Share

The company has only one class of equity shares having a per value of Rs. 10 per share. Each share of Equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Shareholding of promoter
Shares held by promoters as at March 31, 2022.

Promoter Name	No of Shares	% of Total Shares	% Change during the
Yuvraj Hiralal Malhotra	5,387,559	43.30	5.56
Diksha Yuvraj Malhotra	340,785	2.74	15.62
Navraj Malhotra	149,653	1.20	-
Seema Gujral	6,000	0.05	-
Mohak Yuvraj Malhotra	1,065	0.01	0.01

E. Details of Shareholders holding more than 5% shares in the Company

Name of the equity shareholder	As at 31st March, 2022		As at 31st March, 2021	
	Shares	% Holding	Number of Shares	% Holding
Yuvraj Hiralal Malhotra	5,387,559	43.30%	57,04,559	45.85%



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Notes to the Financial Statement for the year ended 31st March, 2022
Note 14 - Other equity

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
a) General Reserve		
Balance as per the last financial statement	515.53	515.53
Add: Transfer during the year	-	-
Closing balance	515.53	515.53
b) Share premium		
Balance as per the last financial statement	3,361.81	3,361.81
Add: Addition during the year	-	-
Closing balance	3,361.81	3,361.81
c) Other Comprehensive Income		
Balance as per the last financial statement	37.27	37.27
Add: Addition during the year	-	-
Closing balance	37.27	37.27
d) Surplus in the statement of profit and loss		
Balance as per the last financial statement	(847.43)	1,109.74
Add: Transfer during the year	176.21	(1,957.17)
Closing balance	(671.22)	(847.43)
Total	3,243.39	3,067.18

Note 15 - Borrowing

	As at March 31, 2022		As at March 31, 2021	
	Non Current Rs. In Lacs	Current Rs. In Lacs	Non Current Rs. In Lacs	Current Rs. In Lacs
Secured Loans				
Term loans*				
Foreign currency loan from Banks	607.82	-	613.76	-
Indian rupee loan from Banks	1,228.80	-	1,025.98	-
Working capital loan**				
Foreign currency loan from Banks	-	-	-	301.75
Indian rupee loan from Banks	-	3,876.94	-	3,565.79
Unsecured Loans				
Indian rupee loan from Banks	-	-	6.83	-
sales tax deferred	110.13	-	110.13	-
Loan from Related Party (Refer Note 15.1)	203.15	-	107.89	-
	2,149.89	3,876.94	1,864.59	3,867.54
Less: Amount disclosed under the head current liabilities (Note-19)	294.28	-	358.71	-
Net amount	1,855.61	3,876.94	1,505.88	3,867.54

*Term loans are secured by way of Mortgage of fixed assets as office premises and flats situated at mumbai and by the personal guarantee from managing director and directors.

**Working capital loan from banks is secured by way of hypothecation of present and future Inventories, Book debt, plant & machinery of the company and mortgage of the factory land & building situated at wada and by the personal guarantee from managing director and directors.



HILTON METAL FORGING LIMITED

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Notes to the Financial Statement for the year ended 31st March, 2022

Note 15.1 - Loan from related parties

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
Yuvraj Malhotra	73.62	15.47
Diksha Malhotra	104.00	78.90
Yashika Malhotra	25.53	13.53
Total	203.15	107.89

Note 16 - Provision

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
Non Current		
Provision for gratuity	75.58	74.46
Provision for leave entitlements	6.49	5.40
Total	82.07	79.85
Current		
Provision for gratuity	12.30	12.28
Provision for leave entitlements	0.54	0.43
Total	12.84	12.70

Note 17 - Deferred tax liabilities (Net)

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
<u>Deferred tax liabilities</u>		
Related to fixed assets (net of losses)	-	277.05
Deferred tax liabilities (Net)*	-	277.05

* Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.

Note 18 - Trade Payables

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
Micro, Small & Medium Enterprises (Refer Note-43)	16.07	25.62
Others Payable	190.91	265.42
Total	206.98	291.04

Note 18.1 - Trade receivables ageing schedule for the year ended

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
<u>Micro, Small & Medium Enterprises</u>		
Less than 1 year	7.48	13.41
1-2 years	2.36	11.47
2-3 years	6.23	0.74
	16.07	25.62



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Others		
Less than 1 year	77.33	102.16
1-2 years	28.45	30.86
2-3 years	50.29	34.47
More than 3 years	34.84	97.93
Total	190.91	265.42
	206.98	291.04

Note 19 - Other financial liabilities

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
Current		
Current Maturity	294.28	358.71
Unpaid Dividend	0.69	1.15
Total	294.97	359.86

Note 20 - Other Current Liabilities

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
Statutory Dues	27.13	7.29
Advance from customers	205.62	288.43
Other Current liabilities*	352.16	298.35
Total	584.91	594.08

* Other Current Liabilities include Creditor for capital expenditure & expenses

Note 21 - Provisions

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
Current Income Tax	-	-
Total	-	-

Note 22 - Revenue From Operation

	Year ended 31 st March 2022 Rs. In Lacs	Year ended 31 st March 2021 Rs. In Lacs
Revenue from operations		
Sale of products	8,376.80	4,721.80
Other Operating Revenues	37.17	29.77
Total revenue from operations	8,413.97	4,751.57

Note 23 - Other Income

	Year ended 31 st March 2022 Rs. In Lacs	Year ended 31 st March 2021 Rs. In Lacs
Dividend	0.05	-
Discount Received	-	0.02
Interest on Deposit	4.97	7.12
Rent Income	-	11.10
Total	5.02	18.24



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Note 24 - Cost of material and consumed

	Year ended 31 st March 2022 Rs. In Lacs	Year ended 31 st March 2021 Rs. In Lacs
Opening Stock	2,617.32	3,280.44
Add: Purchases (Including stores)	7,693.42	4,209.23
	10,310.74	7,489.67
Less: Closing Stock (including stores)	(2,674.88)	(2,617.32)
Total	7,635.85	4,872.35

Note 25 - Change in inventories of finished goods and Work in Progress

	Year ended 31 st March 2022 Rs. In Lacs	Year ended 31 st March 2021 Rs. In Lacs
Closing stock of finished goods	61.31	64.32
Closing stock of Semi-finished goods	1,187.32	1,183.43
	1,248.63	1,247.75
Less: Captive Consumption*	(829.52)	(673.65)
Opening stock of finished goods	64.32	83.89
Opening stock of Semi- finished goods	1,183.43	2,241.71
	418.23	1,651.94
Total	(830.40)	404.19

*The semi finished goods of Rs. 829.52 Lakhs (previous year Rs. 673.65 Lakhs) has been used for Captive consumption in dies, moulds & inserts and part of plant and machinery.

Note 26 - Employee benefit expenses

	Year ended 31 st March 2022 Rs. In Lacs	Year ended 31 st March 2021 Rs. In Lacs
Salaries, wages and bonus	315.88	310.69
Contribution to provident and other funds	19.51	14.25
Staff welfare expenses	7.47	33.98
Total	342.86	358.93

Note 27 - Depreciation and amortization expense

	Year ended 31 st March 2022 Rs. In Lacs	Year ended 31 st March 2021 Rs. In Lacs
Depreciation on tangible assets	233.43	226.95
Dies amortize cost	20.76	25.05
Total	254.19	252.00

Note 28 - Finance Cost

	Year ended 31 st March 2022 Rs. In Lacs	Year ended 31 st March 2021 Rs. In Lacs
Interest on Borrowing	371.60	321.99
Others	46.41	72.15
Total	418.01	394.14



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Notes to the Financial Statement for the year ended 31st March, 2022
Note 29 - Other expenses

	Year ended 31 st March 2022 Rs. In Lacs	Year ended 31 st March 2021 Rs. In Lacs
Manufacturing expenses		
Power and fuel	320.33	306.27
Factory General Expenses	84.03	78.59
Labour Charges	7.16	28.42
Water Charges	3.51	5.21
Repairs & Maintenance	26.39	18.94
	441.42	437.43
Sales & Administration Expenses		
Advertisement & Sales Promotion Expenses	3.03	3.26
Communtion Cost	3.77	2.92
Rent, Rates & Taxes	12.93	15.35
Traveling & Conveyance	28.89	28.90
Printing and Stationery	0.75	0.39
Freight & Forwarding Charges	84.28	156.48
Packing Material Consumed	5.05	17.85
Legal & Professional Charges	57.25	64.90
Auditors Remuneration	7.50	7.50
General expenses	69.20	103.19
	272.65	400.75
Total	714.07	838.18
Payment to Auditor		
Audit fee	7.50	7.50
	7.50	7.50

Note 30 - Basic earnings per shares

	Year ended 31 st March 2022	Year ended 31 st March 2021
Profit after tax (Rs. In Lacs)	176.21	(1,957.17)
Weighted average number of shares outstanding during the year (In Lacs)	124.43	124.43
Face value per share (In Rs.)	10.00	10.00
Basic & Diluted earnings per share (In Rs.)	1.42	(15.73)

Note 31 - Contingent liabilities

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
Letter of credit	18.04	-

Note 32 - Segment reporting

Based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity falls within a single operating segment, namely Manufacturing of Steel Forgings, Flanges and Forged Fittings for oil & gas industry, Petrochemicals and refineries industry. Accordingly, the disclosure requirements of Ind AS 108 are not applicable.



HILTON METAL FORGING LIMITED
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Notes to the Financial Statement for the year ended 31st March, 2022
Note 33 - Gratuity

The company operates one-defined plans, viz., gratuity. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 out of 26 days of salary for year of service. The gross obligation toward the gratuity at the end of the year on is Rs.87.87 Lacs (previous year, Rs. 86.74 Lacs).

(i) Expenses recognised in the statement of profit and loss:

	Year ended 31 st March 2022	Year ended 31 st March 2021
	Rs. In Lacs	Rs. In Lacs
Current service cost	4.64	4.73
Past service cost and loss/(gain)	5.70	5.34
Net interest cost	10.34	10.07
Total expenses recognized in the statement of profit or loss	10.34	10.07

(ii) Other Comprehensive Income for the current period

	As at 31 st March 2022	As at 31 st March 2021
	Rs. In Lacs	Rs. In Lacs
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	(1.61)	(1.61)
Due to Change in Demographic assumptions	-	-
Due to experience adjustments	(4.26)	(4.26)
Amounts recognized in Other Comprehensive Income	(5.86)	(5.86)

Defined benefit obligation are as follows:

	As at 31 st March 2022	As at 31 st March 2021
	Rs. In Lacs	Rs. In Lacs
Liability at the beginning of the year	86.74	84.39
Interest cost	5.70	5.34
Current service cost	4.63	4.73
Due to changes in financial assumption	(0.60)	(1.61)
Due to changes in demographic assumption	-	-
Past service cost	(3.13)	(4.26)
Due to experience Adjustment	(5.47)	(1.87)
Benefit Paid by Company	87.87	86.74
Liability at the end of the year	87.87	86.74

The principal assumptions used in determining gratuity obligations for the company's plans are shown below:

	As at 31 st March 2022
Discount rate	6.80% P.A
Salary Growth Rate	5% pa
Withdrawal Rate	10% pa at younger ages reducing to 2% P.A at older ages
Age of retirement (years)	60



Note - 34 Leave Benefits

The benefits are governed by the company's Leave Policy. The gross obligation toward the Leave Benefit at the end of the year on is Rs.7.02 Lacs (previous year, Rs. 5.82 Lacs).

(i) Expenses recognised in the statement of profit and loss:

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
Current service cost	1.10	0.93
Net interest cost	0.38	0.56
Net value of remeasurements on the obligation and plan asset	0.26	(3.69)
Total expenses recognized in the statement of profit or loss	1.74	(2.20)

(ii) defined benefit obligation:

	Year ended 31 st March 2022 Rs. In Lacs	Year ended 31 st March 2021 Rs. In Lacs
Opening Defined Benefit Obligation	5.82	8.91
Interest cost	0.38	0.56
Current service cost	1.10	0.93
Due to changes in financial assumption	(0.06)	(0.13)
Due to changes in demographic assumption	-	-
Benefit paid	(0.54)	(0.89)
Due to experience Adjustment	0.32	(3.57)
Liability at the end of the year	7.02	5.82

Key Assumption used in determining obligations for the company's plans are shown below:

	As at 31 st March 2022
Discount rate	6.80% P.A
Salary Growth Rate	5% P.A
Withdrawal Rate	10% pa at younger ages reducing to 2% p.a at old ages
Average Age of retirement (years)	60



Note 35 - Related Party Disclosure [as certified by Management]
(a) List of related parties where control exists and related with whom transactions have taken place and relationships:

Name of the Related Party	Designation	Relationship
Yuvraj Malhotra	Chairman and Managing Director (CMD)	Key Management Personnel
Navraj Malhotra	Whole time Director (upto 31/03/2022)	
Sanjay Jain	Director	
Sukesh Joshi	Director	
Nikita Moradia	Director	
Prithivish Mundra	Director	
Sandeep Shah	Director	
Richa Pankaj Shah	Company Secretary	
Sidharth Jain	Chief Financial Officer	
Yashika Yuvraj Malhotra	Relatives of CMD	
Diksha Malhotra	Relatives of CMD	

b) Transactions with related parties for the year ended March 31, 2022

(Rs. In Lacs)

Particulars	Key Management Personnel and their relatives	
	At at	At at
	31st March 2022 (In Lacs)	31st March 2021 (In Lacs)
Remuneration & Salary		
Navraj Malhotra	24.00	22.00
Yashika Yuvraj Malhotra	8.00	10.00
Sidharth Jain	4.80	2.70
Richa Pankaj Shah	3.60	0.90
Loans taken		
Yuvraj Malhotra	94.94	31.71
Diksha Malhotra	30.09	-
Yashika Yuvraj Malhotra	37.23	5.18
Loans repayment		
Yuvraj Malhotra	36.79	59.01
Diksha Malhotra	5.00	0.75
Yashika Yuvraj Malhotra	25.23	3.00
Expenses Reimbursement		
Navraj Malhotra	-	10.74

C) Balances with related parties as at March 31, 2022

Balance Outstanding at year end		
Yuvraj Malhotra	73.62	15.47
Diksha Malhotra	104.00	78.90
Yashika Yuvraj Malhotra	25.92	17.29
Sidharth Jain	1.12	0.44
Richa Pankaj Shah	1.39	0.89



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Notes to the Financial Statement for the year ended 31st March, 2022

Note 36 - Expenditure in foreign currency (accrual basis)

	As at 31 st March 2022	As at 31 st March 2021
	Rs. In Lacs	Rs. In Lacs
Foreign Travelling	-	-
Total	-	-

Note 37 - Value of Imports calculated on CIF basis

	As at 31 st March 2022	As at 31 st March 2021
	Rs. In Lacs	Rs. In Lacs
Trading goods	-	37.31
Total	-	37.31

Note 38 - Imported and indigenous raw material, components and spare parts consumed

	As at 31st March 2022		As at 31st March 2021	
	% of total consumption	Amount in Rs.Lacs	% of total consumption	Amount in Rs.Lacs
Imported	-	-	1.13	59.50
Indigenous	100.00	6,805.45	98.87	5,217.05
Total	100.00	6,805.45	100.00	5,276.55

Note 39 - Financial Derivative Instruments

Foreign currency exposure that are not hedge by derivative instruments as on 31st March, 2022 is USD \$ 806,718/- & Euro (€) 375.9 [previous year USD \$ 1,383,250/- & Euro (€) 50,077/-]. The unhedged exposure are naturally hedged by foreign currency earnings and earnings linked to foreign currency.

Note 40 - Categories Of Financial Instruments

	As at 31 st March 2022	As at 31 st March 2021
	Rs. In Lacs	Rs. In Lacs
Financial Assets		
<u>Break up of financial assets carried at amortised cost</u>		
Trade receivables (Note 6)	614.22	1,391.65
Cash and Bank balances (Note 10 & 11)	124.19	97.61
Other financial assets (Note 7)	38.42	37.92
Total financial assets carried at amortised cost	776.83	1,527.18
<u>Break up of financial assets at fair value through profit or loss</u>		
Investments-Non-current (Note 5)	0.50	0.50
Total financial assets carried at fair value through profit or loss	0.50	0.50
Financial Liabilities		
<u>Break up of financial liabilities carried at amortised cost</u>		
Non Current-Long term Borrowings (Note 15)	1,855.61	1,505.88
Current-Short term Borrowings (Note 15)	3,876.94	3,867.54
Trade payables (Note 18)	206.98	291.04
Other Current Financial Liabilities (Note 19)	294.97	359.86
Total financial liabilities carried at amortised cost	6,234.50	6,024.32



The management has assessed that the carrying values of the Financial Assets and Liabilities at amortised cost approximate their fair value largely due to their short-term maturities of these instruments.

Note 41 - Financial Risk Management Objectives And Policies

The Company's principal financial assets include trade & other receivables, and cash & cash equivalents that derives directly from its operations. The Company's principal financial liabilities comprise trade & other payables and short term borrowings. The main purpose of majority of these financial liabilities is to manage working capital of the Company.

The Company is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The below note explains the sources of risk which the Company is exposed to and how the entity manage the risk :

A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, primarily cash & cash equivalents.

i) Trade receivables

Customer credit risk is managed in accordance with the Company's established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored through credit lock and release effectively manage the exposure.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The Company does not hold any collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as most of its external customers are established players in their industry.

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered related credit information for its customer, that's available in public domain to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

ii) Cash and Cash equivalents and Other financial assets

Credit risk from balances with banks is managed by the Board of Directors in accordance with the Company's policy. Investment of surplus funds are made for short-term in deposit with banks. Investments and Bank deposits are reviewed by the Board of Directors on a quarterly basis. Credit risk arising from short term liquid fund, cash and cash equivalents and other balances with banks is limited and no collaterals are held against these because the counterparties are banks.

Other financial assets mainly include security deposits & other receivables. There are no indications that defaults in payment obligations would occur in respect of these financial assets.

B) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to different types of market risks. For the Company, the market risk is the possibility of changes in foreign currency exchange rates and commodity prices which may affect the value of the Company's financial assets, liabilities or expected future cash flows.



i) Commodity Risk

Commodity risk for the Company is mainly related to fluctuations in steel prices which drives the prices of billet, steel bars, and tubes. Since, steel is the primary input materials for making of forging, which are used in manufacturing the final products, any fluctuation in steel prices can lead to drop in operating margin. Most of these input materials are procured from approved vendors and subject to price negotiations. In order to mitigate the risk associated with raw material and components prices, the Company manages its procurement through productivity improvements, expanding vendor base and constant pricing negotiation with vendors. The Company renegotiates the prices with its customers in case there is more than normal deviation in the prices of its major raw materials. Additionally, the processes and policies related to such risks are reviewed and controlled by senior management team.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The risk of fluctuations in foreign currency exchange rates on its financial liabilities including trade and other payables etc., which are mainly in US Dollars are mitigated through the natural hedge alignment, as Company's export sales are predominantly in US dollars and such economic exposure through trade and other receivables in US dollars provide natural alignment. Hence, a reasonable variation in the Foreign exchange rate would not have much impact on the profit or loss / equity of the Company. Net foreign currency exposure also reviewed by the Board of Directors on a quarterly basis.

Foreign currency sensitivity analysis

The Company is exposed to the currencies USD & EURO on account of outstanding receivables (+) and payables (-). The Company's net exposure to foreign currency risk at the end of the reporting period expressed in respective currencies given below;

Foreign currency exposure that are not hedge by derivative instruments as on 31st March, 2021 is USD \$ 806,718/- & Euro (€) 375.9 [previous year USD \$ 1,383,250/- & Euro (€) 50,077/-]. The unhedged exposure are naturally hedged by foreign currency earnings and earnings linked to foreign currency.

C) Liquidity risk

Liquidity risk is defined as a risk that the Company will not be able to meet its obligations on time or at a reasonable price. An effective liquidity risk management takes into consideration in maintaining optimum level of cash and cash equivalents and the availability of funding through an credit facilities at a reasonable cost to meet the obligation when due. Additionally, the processes and policies related to such risks are reviewed and controlled by senior management team. Management continuously reviews the actual cash flows and forecasts the expected cash flows to monitor the liquidity position. All the current financial liabilities of the Company are due to be paid with in twelve months from the date from the Balance sheet date. All non-current financial liabilities are due to be paid in more than twelve months from the Balance sheet date. However the interest component of all the non-current financial liabilities if any will be payable as and when due, which may be with in twelve months from the date of Balance sheet date.

Fair values

i) Class wise fair value of the Company's financial instruments:

	As at 31 st March 2022 Rs. In Lacs	As at 31 st March 2021 Rs. In Lacs
Investments (unquoted) in Equity shares	0.50	0.50



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Notes to the Financial Statement for the year ended 31st March, 2022
ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2022:			
Assets measured at fair value::			
Investment in equity shares	-	-	0.50
Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021:			
Assets measured at fair value:			
Investment in equity shares	-	-	0.50

a) The Company has determined the carrying value of the investment as its fair value in the absence of any available fair value for its non-current investment which is carried at cost.

Note 42 - Ratio

	March 31, 2022 ₹ in Lakhs	March 31, 2021 ₹ in Lakhs	Variance In %
Current Raio	1.37	1.47	(6.56)
Debt-Equity Ratio	1.32	1.31	(0.64)
Debt Service Coverage Ratio	0.43	(1,703.85)	
Return on Equity (ROE)	14.16%	-157.29%	171.45
Trade Receivables Turnover Ratio	13.70	3.41	301.21
Trade Payables Turnover Ratio	37.17	14.46	157.00
Net Capital Turnover Ratio	4.56	1.99	129.66
Net Profit Ratio	2.09%	-41.19%	105.08
Return on Capital Employed (ROCE)	-	-	-

Note 43 - Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Dues to micro and small enterprises as defined under MSMED Act, 2006, the company has not made interest provision on late payment to creditors, due to the negotiation on the accepted date, under the said act as per the applicable provisions of the law in respect to the extent of such parties have been identified on the basis of information collected by the Management. Further the company has not received intimation from every "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

Note 44 - Deferred taxes

Deferred tax is calculated in temporary differences between accounting and tax values as well as any tax losses carried forward at the year-end. Net deferred tax assets are recognized only to the extent that it is probable they will be utilized against future taxable profits.

Note 45 - Exceptional items represent penal interest charges from bank for not achieving the export sales target within time frame.

Note 46 - Out of the total debtors of Rs.614.22 Lakhs As at March 31, 2022, Rs.475.71 Lakhs has more than one year at the year end. For this the management is in discussion with these debtors to expedite the recoverability of the above aforesaid outstanding amounts and believes that the entire amount is fully recoverable. In view of the forgoing, no provision is considered necessary in these financial statements in this regard.



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Notes to the Financial Statement for the year ended 31st March, 2022

Note 47 - The spread of COVID-19 has severely impacted business in many countries including India and there have been severe disruption to regular business operations due to lockdown and other emergency measures. This may impact the Company's operations. The Company has made assessment of liquidity, recoverable values of its financial and non-financial assets, financial and non-financial liabilities, carrying value of its subsidiaries including possible obligations arising from any ongoing negotiations with customers, vendors and regulatory exposures across businesses and geographies and has concluded that there are no material adjustments required in the interim financial results and annual financial statements. The management believes that it has assessed and taken all the possible impacts known from these events wherever possible outcome is known. However, given the effect of these on the overall economic activity and in particular in the industry in which Company operates, the impact assessment of COVID-19 is a continuous process, given the significant estimation and uncertainties associated with its nature, duration and outcome of any negotiations. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor any material changes to future economic conditions and its consequential impact on its financial results.

Note 48 - Trade receivable, trade payable, loans & advances and outstanding balance are subject to confirmation and reconciliation. However, the Management does not expect any material variation in the financial results.

Note 49 - The figures for the corresponding previous year have been regrouped/ reclassified wherever necessary, to make them comparable.

As per our report of even date

For: Anil Bansal & Associates

Chartered Accountants

Firm registration number:100421W

Anil Bansal
Partner

Membership no. 043918

Place : Mumbai

Date : 18th May, 2022

For and on Behalf of Board of
Hilton Metal Forging Limited
Yuvraj Malhotra
Chairman/Managing Director
(DIN-00225156)
Richa Pankaj Shah
Company Secretary
(DERPS1049D)
Nikita Moradia
Director
(DIN-08530305)
Siddharth Jain
CFO
(ATJPJ8685J)

Anil Bansal & Associates

Chartered Accountants
1001, IJMIMA Complex,
Link Road, Malad (West),
Mumbai – 400064.

Independent Auditor's Report

To,
The Members of Hilton Metal Forging Limited

Report on the Financial Statements**Opinion**

We have audited the financial statements of **Hilton Metal Forging Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31st March 2021, and its loss (including other comprehensive income), changes in equity and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

- i We invite attention to Note 44 to the financial results which explain the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to COVID-19 pandemic situation, for which definitive assessment of the impact in the subsequent period is dependent upon circumstances as they evolve.

Our opinion is not modified in respect of above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



• **Anil Bansal & Associates**

Chartered Accountants
1001, IJMIMA Complex,
Link Road, Malad (West),
Mumbai – 400064.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



Anil Bansal & Associates

Chartered Accountants
1001, IJMIMA Complex,
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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We draw attention to followings notes to the financial statement:

- i We invite attention to Note 41 relating to Dues to micro and small enterprises as defined under the MSMED Act, 2006, the company has not made interest provision on late payment to creditors, due to the negotiation on the accepted date and materials issues, under the said act as per the applicable provisions of the law in respect to the extent of such parties have been identified on the basis of information collected by the Management.
- ii We invite attention to Note 43 to the standalone financial statements, with respect to Rs. 1378.55 Lakhs of trade receivable as at March 31, 2021. As explained to us, the Company is in discussion to expedite the recoverability of the above aforesaid outstanding amounts and believes that the entire amount is fully recoverable. Pending the ultimate outcome of such discussion relation to recovery of the amounts from the debtors, no adjustments or provision have been considered necessary by the management in these standalone financial statements in this regard. We have not been provided the basis of management estimate of recovery. We are unable to comment, if any, of the extent of recoverability of above debtors.
- iii We invite attention to Note 45 to the financial statements for the year ended March 31, 2021, the balance confirmations have not been received in respect of certain secured and unsecured loans, balances with banks, trade receivables, trade and other payables and loans and advances. The Company continues the process of obtaining confirmations and reconciliation of the balances of trade receivables, trade and other payables and loans and advances. The impact of the same is not ascertainable at present.

Our opinion is not qualified in respect of above matter.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by Section 143(3) of the Act, we further report that:
 - a. We have sought and 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, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;



Anil Bansal & Associates

Chartered Accountants
1001, IJMIMA Complex,
Link Road, Malad (West),
Mumbai – 400064.

- c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- d. *Except for the matter described in the Basis of emphasis of matter & other matters paragraph*, In our opinion, the aforesaid financial statements comply with applicable Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on 31st March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the matter to be included in the Auditors' Report in accordance with the requirements of section 197(16), as amended;
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- h. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial Statements, if any.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Anil Bansal & Associates
Chartered Accountants
Firm registration number:100421W

Anil Bansal
Partner

Membership no.: 043918
UDIN: 21043918AAAADE6585
Place: Mumbai
Date: 28th June, 2021



Annexure 'A' referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date.

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

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deeds provided to us, we report that the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii. The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. According to the information and explanation provided to us, the discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.
- v. According to the information and explanation given to us, the Company has not accepted any deposits covered under section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under sub section 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, duty of Customs, duty of Excise, Cess and other material statutory dues have generally regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.



- ix. Based on the information and explanations given to us by the management, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) but the Company has raised new term loan during the year and those raised during the year have been applied for the purposes for which they were raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.
- xvi. According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For Anil Bansal & Associates
Chartered Accountants
Firm registration number:100421W


Anil Bansal
Partner

Membership no.: 043918
DIN: 21043918AAAADE6585
Place: Mumbai
Date: 28th June, 2021



ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls with accompanying financial statements of Hilton Metal Forging Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, in conjunction with our audit of the financial statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Anil Bansal & Associates
Chartered Accountants
Firm registration number: 100421W


Anil Bansal
Partner
Membership no.: 043918
UDIN: 21043918AAAADE6585
Place: Mumbai
Date: 28th June, 2021



HILTON METAL FORGING LIMITED
CIN: L28900MH2005PLC154986
Balance sheet as at 31st March 2021

	Notes	As at 31 st March 2021 Rs. In Lacs	As at 31 st March 2020 Rs. In Lacs
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,216.14	3,223.77
Capital work-in-progress	3	-	-
Investment property	4	87.27	87.27
Financial assets			
Investment	5	0.50	0.50
Trade receivables	6	449.79	485.17
Other Non-current Financial Assets	7	26.99	26.99
		3,780.69	3,803.70
Current assets			
Inventories	8	5,399.35	6,679.54
Financial assets			
Trade receivables	6	941.86	3,350.87
Cash and cash equivalents	9	6.41	13.53
Other balances with banks	10	91.20	146.28
Other financial assets	7	10.93	12.72
Other current Assets	11	1,069.05	920.51
		7,518.80	11,121.66
Total assets		11,299.49	14,927.36
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	1,244.30	1,244.30
Other equity	13	3,067.18	5,024.35
Total Equity		4,311.48	6,268.65
Non-current liabilities			
Financial Liabilities			
Borrowings	14	1,505.88	993.06
Provisions	15	79.85	78.53
Deferred tax liabilities (Net)	16	277.05	669.86
		1,862.79	1,741.55
Current liabilities			
Financial liabilities			
Borrowings	14	3,867.54	3,383.42
Trade Payables	17	291.04	2,442.30
Other financial liabilities	18	359.86	115.13
Provisions	15	12.70	14.58
Other current liabilities	19	594.08	933.13
Current Tax Liability	20	28.51	28.51
		5,125.22	6,917.16
Total		11,299.49	14,927.36

Significant accounting policies and Notes to the financial statements 21045

As per our report of even date
 For: Anil Bansal & Associates
 Chartered Accountants
 Firm registration number:100421W

Anil Bansal
 Partner
 Membership no. 043918
 Place : Mumbai
 Date : 28th June, 2021



For and on Behalf of Board of
 Hilton Metal Forging Limited

Navraj Malhotra
 Chairman/Managing Director
 (DIN-00225156)

Navraj Malhotra
 Whole Time Director
 (DIN-00225193)

Richa Pankaj Shah
 Company Secretary
 (DERP51049D)

Siddharth Jain
 CFO
 (ATJPI8685I)



HILTON METAL FORGING LIMITED
CIN: L28900MH2005PLC154986
Statement of profit and loss for the year ended 31st March 2021

	Notes	For the year ended 31 st March 2021 Rs. In Lacs	For the year ended 31 st March 2020 Rs. In Lacs
Income			
Revenue from operations	21	4,751.57	10,299.23
Other Income	22	18.24	22.14
Total Revenue		4,769.81	10,321.37
Expenses:			
Cost of materials consumed	23	4,872.35	7,340.79
Change in inventories of finished goods and Working in Progress	24	404.19	(288.79)
Employee benefit expenses	25	358.93	695.07
Depreciation & amortization expenses	26	252.00	258.82
Finance cost	27	394.14	340.66
Other expenses	28	838.18	1,804.03
Total expenses (II)		7,119.60	10,150.59
Profit/(loss) Before Tax		(2,349.99)	170.78
Tax expense:			
Current Tax		-	28.51
MAT entitlement		-	(18.18)
Deferred tax		(392.81)	5.45
Total tax expenses		(392.81)	15.78
Profit/(loss) After Tax		(1,957.17)	154.99
Other comprehensive income:			
i. Items that will not be reclassified to Statement of Profit and Loss		-	-
ii. Income tax relating to items that will not be reclassified to Statement of Profit and Loss		-	-
iii. Items that will be reclassified to Statement of Profit and Loss		-	-
Total comprehensive income for the year		-	-
Profit/(loss) transfer to balance sheet		(1,957.17)	154.99
Earnings per equity share of face value of ₹ 10 each			
Basic (in ₹)	29	(15.73)	1.25
Diluted (in ₹)		(15.73)	1.25
Significant accounting policies and Notes to the financial statements 2 to 46			

As per our report of even date
For: Anil Bansal & Associates
Chartered Accountants
Firm registration number: 100421W

Anil Bansal
Partner
Membership no. 043918
Place : Mumbai
Date : 28th June, 2021



For and on Behalf of Board of
Hilton Metal Forging Limited

Yuvraj Malhotra
Chairman/Managing Director
(DIN-00225156)

Richa Pankaj Shah
Company Secretary
(DERP510490)



Nawraj Malhotra
Whole Time Director
(DIN-00225183)

Siddharth Jain
CFO
(ATJP/8685J)

HILTON METAL FORGING LIMITED
CIN: L28900MH2005PLC154986
Cash Flow Statement for the year ended 31st March, 2021

Notes	For the year ended 31 st March 2021 Rs. In Lacs	For the year ended 31 st March 2020 Rs. In Lacs
Cash flow from operating activities		
Profit before tax and after prior period items	(2,349.99)	170.77
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization	252.00	258.82
Finance costs	394.14	340.66
Interest / Rent Income income	(18.22)	(22.08)
Dividend income	-	(0.04)
Operating profit before working capital changes	(1,722.07)	748.14
Movements in working capital:		
Decrease/(increase) in inventories	1,280.19	(226.54)
Decrease/(increase) in trade receivables	2,424.39	(1,540.07)
Decrease/(increase) in loans, financial and other assets	(146.65)	296.34
Increase/(decrease) in short term borrowings	484.11	312.53
Increase/(decrease) in trade payables	(2,151.26)	790.77
Increase/(decrease) in loans, financial & other liabilities	(515.64)	(6.13)
Increase/(decrease) in provisions	(0.74)	(10.47)
Cash generated from / (used in) operations	(347.66)	364.58
Direct taxes paid (net of refunds)	392.81	15.78
cash flow before extraordinary item	45.16	380.36
Extra ordinary item	-	-
Net cash flow from/ (used in) operating activities (A)	45.16	380.36
Cash flows from investing activities		
Purchase of property, plant and equipment	(244.37)	(13.26)
Interest received / rent received	18.22	22.08
Dividend received	-	0.01
	(226.14)	8.85
Cash flows from financing activities		
Long term borrowing / repayment (net)	512.83	(8.64)
Finance cost	(394.14)	(340.66)
Net cash flow from/ (used in) in financing activities (C)	118.68	(349.30)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(62.30)	39.92
Cash and cash equivalents at the beginning of the year	159.91	119.99
Cash and cash equivalents at the end of the year	97.61	159.91
Components of cash and cash equivalents		
Cash on hand	1.24	13.29
With banks- on current account	96.37	146.62
Total cash and bank equivalents	97.61	159.91

Significant accounting policies and Notes to the financial statements: 2 to 46

As per our report of even date

For: Anil Bansal & Associates

Chartered Accountants

Firm registration number:100421W

Anil Bansal

Partner

Membership no. 043918

Place : Mumbai

Date : 28th June, 2021


 For and on Behalf of Board of
Hilton Metal Forging Limited

 Yuvraj Malhotra
Chairman/Managing Director
(DIN-00225156)

 Navraj Malhotra
Whole Time Director
(DIN-00225183)

 Richa Pankaj Shah
Company Secretary
(DERPS1049D)

 Siddharth Jain
CFO
(ATJPJ8685J)


HILTON METAL FORGING LIMITED
CIN: L28900MH2005PLC154986

Statement of change in equity for the year ended 31st March 2021

A. EQUITY SHARE CAPITAL

Balance at the beginning of the reporting period i.e. 1st April, 2019	Changes in Equity Share capital during the year 2019-20	Balance at the end of the reporting period i.e. 31st March, 2020	Changes in Equity Share capital during the year 2020-21	Balance at the end of the reporting period i.e. 31st March, 2021
1,244.30	-	1,244.30	21	1,244.30

B. OTHER EQUITY

Particulars	Reserve & Surplus			Total
	General Reserve	Securities Reserve	Retained Earnings	
Balance at the beginning of the reporting period i.e. 1st April, 2019	515.53	3,361.81	954.75	4,872.09
Profit/(loss) for the year	-	-	354.98	354.98
Other comprehensive Income including net of Tax	-	-	(8.43)	(8.43)
Balance at the end of the reporting period i.e. 31st March, 2020	515.53	3,361.81	1,029.74	5,024.35
Balance at the beginning of the reporting period i.e. 1st April, 2020	515.53	3,361.81	1,109.74	5,024.35
Profit/(loss) for the year	-	-	(1,957.17)	(1,957.17)
Other comprehensive Income including net of Tax	-	-	-	-
Balance at the end of the reporting period i.e. 31st March, 2021	515.53	3,361.81	(647.43)	3,067.18

Significant accounting policies and Notes to the financial statements 2 to 46

As per our report of even date

For: Anil Bansal & Associates

Chartered Accountants

Firm registration number:100421W



Anil Bansal

Partner

Membership no. 043918

Place : Mumbai

Date : 28th June, 2021

For and on Behalf of Board of
Hilton Metal Forging Limited

Yuvraj Malhotra

Chairman/Managing Director

(DIN-00225156)

Richa Pankaj Shah

Company Secretary

(DERP51049D)



Navraj Malhotra

Whole Time Director

(DIN-00225183)

Siddharth Jain

Siddharth Jain

CFO

(AT/P18685J)

HILTON METAL FORGING LIMITED

CIN: L28900MH2005PLC154986

Notes to the Financial Statement for the year ended March 31, 2021**Note No. 1 – Corporate Information:**

- a) Hilton Metal Forging Limited established in 2005 is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at 701 Palm Spring, Link Road, Malad West, Mumbai 400064, Maharashtra and plant at Ghonsai Village, Wada Taluka, Palghar Dist.
- b) The Company is primarily engaged in the business of manufacturing of iron and steel forging, recognized export house, presently catering to the needs of Oil and Gas, Refineries and pharmaceutical industries.

Note No. 2 – Significant accounting policies:**a) Statement of compliance:**

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

b) Basis of preparation of financial statements

These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

- i. The financial statements of the Company are prepared in accordance with and to comply in all material aspect with the Indian Accounting Standards (Ind AS).
- ii. The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest lacs, except otherwise indicated.

Previous year's figures have been regrouped / reclassified wherever necessary to conform with the current year's classification / disclosures.

c) Use of estimates and judgments

- i. The preparation of the financial statements in conformity with Ind AS requires Management to make Judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, revenue and



HILTON METAL FORGING LIMITED
CIN: L28900MH2005PLC154986
Notes to the Financial Statement for the year ended March 31, 2021

expenses, disclosure of contingent liabilities as at the date of the financial statements. Such assumptions are based on management's evaluation of relevant facts and circumstances as on date of financial statements. The actual out-come may diverge from these estimates.

- ii. Estimates and assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period effect.

d) Property, plant and equipment

- i. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to Statement of Profit and Loss in the period in which the costs are incurred.
- ii. Assets in the course of construction are capitalised in the assets under capital work in progress account (CWIP). At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimated cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized. Revenue generated from production during the trial period is capitalised.

e) Depreciation

- i. Depreciation on tangible assets is provided as per the provisions of Part B of Schedule II of the Companies Act, 2013. The management believes that the estimated useful lives are restrict and reflects fare approximation of the period were which the assets are likely to be used.
- ii. Depreciation on Property, plant and equipment is calculated on a straight -line basis, from the month of addition, using estimated useful lives, as specified in schedule II to the Companies Act 2013, except in respect of following assets:

Particulars	Useful life as per management (as technically assessed)	Useful life under schedule II of Companies Act, 2013
Buildings	Up to 60years	60years
Plant & Machinery	10 to 25 years	15 years
Vehicles	10 years	10 years
Furniture & Fixtures	10 to 13 years	10 years
Computer Software	3 to 6 years	3 to 6 years
Office Equipment	7 to 12 years	5 years



HILTON METAL FORGING LIMITED**CIN: L28900MH2005PLC154986****Notes to the Financial Statement for the year ended March 31, 2021**

f) Borrowing costs

- i. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.
- ii. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset. The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

g) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

h) Inventories

Cost of inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories of stores, spare parts, coal, fuel and loose tools are stated at the lower of weighted average cost or net realizable value. Net realisable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale. In continuation with the accounting policies followed last year, the Company has considered Dies and Moulds as part of Inventory as the consumable items and the same is amortised as done in the earlier as well as current financial years.

i) Revenue recognition**i) Sale of goods**

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31st March, 2018 and for the period 1st April to 30 June, 2017



HILTON METAL FORGING LIMITED

CIN: L28900MH2005PLC154986

Notes to the Financial Statement for the year ended March 31, 2021

were reported gross of Excise Duty and net of Value Added Tax (VAT) / Sales Tax. Excise Duty was reported as separate expense line item. Consequent to the introduction of Goods and Service Tax (GST) with effect from 1 July, 2017, VAT/Sales tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements' of Ind AS 18.

ii) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition

iii) Income from Services

Income from services rendered is recognised based on the terms of the agreements as and when services are rendered and are net of applicable taxes.

j) Foreign currency transactions and foreign operations

The functional currency of the Company is the Indian Rupees (INR). These financial statements are presented in Indian Rupees.

Foreign currency transactions are recorded in the functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. All foreign currency monetary assets and monetary liabilities as at the Balance Sheet date are translated into the functional currency at the applicable exchange rate prevailing on that date. All the exchange differences arising on translation, are recognised in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Gain or losses upon settlement of foreign currency transactions are recognized in the Statement of Profit and Loss for the period in which the transaction is settled.

k) Employee benefits**Short term employee benefits:**

Short-term employee benefits are expensed as related service as provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Contribution towards provident fund is made to the recognized funds, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on monthly basis.



HILTON METAL FORGING LIMITED**CIN: L28900MH2005PLC154986****Notes to the Financial Statement for the year ended March 31, 2021**

Defined benefit plans:

Provision for incremental liability in respect of gratuity and leave encashment is made as per independent actuarial valuation on projected unit credit method made at the year-end.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expenses (income) on the defined liability (asset) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit or loss.

l) Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss, except to the extent it relates to items directly recognized in equity or in other comprehensive income.

i) Current tax

Current tax is the amount of tax payable based on the taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax ('MAT')

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount



HILTON METAL FORGING LIMITED

CIN: L28900MH2005PLC154986

Notes to the Financial Statement for the year ended March 31, 2021

of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

Current and deferred tax for the year: Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

m) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders.

n) Provisions and contingencies

The Company recognizes provisions when there is a present obligation (legal or constructive) as a result of a past event, that probably requires an outflow of resources and reliable estimate can be made of the amount of the obligation.

A disclosure for contingent liabilities is made where there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

A present obligation that arises from past events but is not recognized because:

- i. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- ii. The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period. Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

o) Financial instruments

The company enters into foreign exchange forward contracts to manage its foreign exchange rate risk.

Derivatives are initially recognised at fair value at the end of each reporting period. The resulting gain or loss is recognized in statement of profit and loss immediately.



HILTON METAL FORGING LIMITED

CIN: L28900MH2005PLC154986

Notes to the Financial Statement for the year ended March 31, 2021

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

p) Financial assets**i. Recognition and Initial measurement**

Financial assets are recognised when the company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value and transaction costs are expensed in the Statement of Profit and Loss.

ii) Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (i) The entity's business model for managing the financial assets and
- (ii) The contractual cash flow characteristics of the financial asset.

iii) Classification of financial assets**Debt Instruments**

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition);

- (a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- (b) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in Statement of Profit and Loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in Statement of Profit and Loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to Statement of Profit and Loss. All other financial assets are subsequently measured at fair value.



HILTON METAL FORGING LIMITED

CIN: L28900MH2005PLC154986

Notes to the Financial Statement for the year ended March 31, 2021

q) Financial liabilities and equity instruments**i) Classification as debt or equity**

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

iii) Financial liabilities

All Financial liabilities are measured at amortized cost using effective interest method or fair value through profit and loss. However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below:

(a) Amortized Cost

Financial liabilities are classified as financial liabilities at amortised cost by default. Interest expenses calculated using effective interest rate method is recognised in the statement in profit and loss.

(b) Financial liabilities at FVTPL

Financial liabilities are classified as FVTPL if it is held for trading, or is designated as such on initial recognition. Changes in fair value and interest expenses on these liabilities are recognised in the statement of profit and loss.

(c) De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations when, and only when, the Company's obligations are discharged, cancelled or have expired.



HILTON METAL FORGING LIMITED

CIN: L28900MH2005PLC154986

Notes to the Financial Statement for the year ended 31st March, 2021

Note 3 - Property, Plant and equipment

Particulars	(Rs. in Lacs)									
	Gross Block of Assets					Depreciation			Net Block	
	As on 01/04/2020	Addition/ Transfer	Disposal/ Transfer	As on 31/3/2021	As on 01/04/2020	During the year	Deduction	As on 31/03/2021	As on 31/03/2021	As on 31/03/2020
Land	137.59	-	-	137.59	-	-	-	-	137.59	137.59
Building and Shed	745.98	-	-	745.98	243.37	13.19	-	256.56	487.42	500.61
Staff Quarters	106.46	-	-	106.46	35.88	1.95	-	37.83	68.63	70.58
Office Premises	1.70	-	-	1.70	1.70	-	-	1.70	0.00	0.00
Plant & Machinery*	4,452.75	215.59	-	4,668.34	2,015.01	192.35	-	2,207.36	2,460.98	2,437.75
Electrical Installation	95.35	-	-	95.35	64.94	8.50	-	73.44	21.91	30.41
Motor Car	6.73	-	-	6.73	6.40	-	-	6.40	0.34	0.34
Office Equipment	35.63	1.31	-	35.94	23.29	2.75	-	26.04	10.91	12.34
Designs & Drawings	0.68	-	-	0.68	0.65	-	-	0.65	0.03	0.03
Computer	41.88	2.41	-	44.30	35.88	2.75	-	39.13	5.17	5.01
Furniture & Fixtures	92.07	-	-	92.07	62.97	5.84	-	68.91	23.15	29.10
Total	5,716.83	219.32	-	5,936.15	2,493.07	226.95	-	2,720.01	3,216.14	3,223.77
At 31st March 2020	5,672.31	44.52	-	5,716.83	2,268.91	224.16	-	2,493.07	3,223.77	3,403.40
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-

* The semi-finished goods of Rs. 203.36 Lakhs has been used for Captive consumption in parts of plant and machinery.



HILTON METAL FORGING LIMITED
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Notes to the Financial Statement for the year ended 31st March, 2021
Note 4- Investment Property

	As at 31 st March 2021 Rs. In Lacs	As at 31 st March 2020 Rs. In Lacs
Property held with investment	87.27	87.27
Total	87.27	87.27

Note 5- Non Current Investment

	As at 31 st March 2021 Rs. In Lacs	As at 31 st March 2020 Rs. In Lacs
<u>Unquoted Shares</u>		
500 Equity Shares (P.Y. 500) of Rs. 100 each, fully paid up of Saraswat Co-Op Bank Ltd	0.50	0.50
Total	0.50	0.50

Note 6 - Trade receivables

	As at 31 st March 2021 Rs. In Lacs	As at 31 st March 2020 Rs. In Lacs
Non-current		
Unsecured, considered good	449.79	465.17
Total	449.79	465.17
Current		
Unsecured, considered good	941.86	3,350.87
Total	941.86	3,350.87

Note 7 - Other Financial Assets

	As at 31 st March 2021 Rs. In Lacs	As at 31 st March 2020 Rs. In Lacs
Non-current		
<u>Secured - Considered Good</u>		
Security deposit	26.99	26.99
Total	26.99	26.99
Current		
<u>Secured - Considered Good</u>		
Security deposit	6.58	6.30
Interest accrued on fixed deposit	4.35	6.42
Total	10.93	12.72



HILTON METAL FORGING LIMITED
CIN: L28900MH2005PLC154986
Notes to the Financial Statement for the year ended 31st March, 2021
Note 8 - Inventories

	As at 31 st March 2021 Rs. In Lacs	As at 31 st March 2020 Rs. In Lacs
Raw Material (including Goods in Transit)	2,579.25	3,280.44
Semi Finished Goods	1,183.43	2,209.03
Finished Goods	64.32	83.89
Store, Spares & Consumables	38.07	32.67
Dies and Inserts	1,534.28	1,073.51
Total	5,399.35	6,679.54

*The semi finished goods of Rs. 673.65 Lakhs has been used for Captive consumption in dies & inserts and part of plant and machinery.

Note 9 - Cash and Cash Equivalents

	As at 31 st March 2021 Rs. In Lacs	As at 31 st March 2020 Rs. In Lacs
Cash in hand	1.24	13.29
Balance with banks:		
On current accounts	5.17	0.34
Total	6.41	13.63

Note 10 - Other balances with banks

	As at 31 st March 2021 Rs. In Lacs	As at 31 st March 2020 Rs. In Lacs
Other balance with banks		
Unpaid dividend account	1.15	1.74
EEFC account	1.03	1.97
Earmarked deposit accounts	89.02	142.57
Total	91.20	146.28

Note 11 - Other current Assets
 (Unsecured, Considered Good)

	As at 31 st March 2021 Rs. In Lacs	As at 31 st March 2020 Rs. In Lacs
Balance with Statutory Authorities	203.81	279.96
Others advances	865.24	640.65
Total	1,069.05	920.61

Note 12 - Share Capital

	As at 31 st March 2021 Rs. In Lacs	As at 31 st March 2020 Rs. In Lacs
a. Authorised Shares		
15,000,000 (Previous year 15,000,000) Equity Shares of Rs. 10/- each.	1,500.00	1,500.00
Issued, Subscribed and fully paid -up Shares		
12,443,016 (Previous year 12,443,016) Equity Shares of Rs. 10/- each.	1,244.30	1,244.30
Total Issued, Subscribed and fully paid -up Shares	1,244.30	1,244.30



HILTON METAL FORGING LIMITED
CIN: L28900MH2005PLC154986
Notes to the Financial Statement for the year ended 31st March, 2021
b. Reconciliation of number of shares outstanding
Equity Share Capital

Particular	As at 31 st March 2021		As at 31 st March 2020	
	Share in Lacs	Rs. In Lacs	Share in Lacs	Rs. In Lacs
As at the beginning of the year	124.43	1,244.30	124.43	1,244.30
Add: Addition during the year	-	-	-	-
As at the end of the year	124.43	1,244.30	124.43	1,244.30

c. Term/ Right Attached to Equity Share

The company has only one class of equity shares having a per value of Rs. 10 per share. Each share of Equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Details of Shareholders holding more than 5% shares in the Company

Name of the equity shareholder	As at 31st March, 2021		As at 31st March, 2020	
	Shares	% Holding	Number of Shares	% Holding
Yuvraj Hiralal Malhotra	57,04,559	45.85%	56,88,959	45.72%

Note 13 - Other equity

	As at 31 st March 2021 Rs. In Lacs	As at 31 st March 2020 Rs. In Lacs
a) General Reserve		
Balance as per the last financial statement	515.53	515.53
Add: Transfer during the year	-	-
Closing balance	515.53	515.53
b) Share premium		
Balance as per the last financial statement	3,361.81	3,361.81
Add: Addition during the year	-	-
Closing balance	3,361.81	3,361.81
c) Other Comprehensive Income		
Balance as per the last financial statement	37.27	45.70
Add: Addition during the year	-	(8.43)
Closing balance	37.27	37.27
d) Surplus in the statement of profit and loss		
Balance as per the last financial statement	1,109.74	954.75
Add: Transfer during the year	(1,957.17)	154.99
Closing balance	(847.43)	1,109.74
Total	3,067.18	5,024.35



HILTON METAL FORGING LIMITED

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Notes to the Financial Statement for the year ended 31st March, 2021

Note 14 - Borrowing

	As at March 31, 2021		As at March 31, 2020	
	Non Current Rs. In Lacs	Current Rs. In Lacs	Non Current Rs. In Lacs	Current Rs. In Lacs
Secured Loans				
Term loans*				
Foreign currency loan from Banks	613.76	-	-	-
Indian rupee loan from Banks	1,025.98	-	773.39	-
Working capital loan**				
Foreign currency loan from Banks	-	301.75	-	-
Indian rupee loan from Banks	-	3,565.79	-	3,383.42
Unsecured Loans				
Indian rupee loan from Banks	6.83	-	52.36	-
sales tax deferred	110.13	-	110.13	-
Loan from Related Party (Refer Note 14.1)	107.89	-	133.76	-
	1,864.59	3,867.54	1,069.65	3,383.42
Less: Amount disclosed under the head current liabilities (Note-15)	358.71	-	76.59	-
Net amount	1,505.88	3,867.54	993.06	3,383.42

*Term loans are secured by way of Mortgage of fixed assets as office premises and flats situated at mumbai and by the personal guarantee from managing director and directors.

**Working capital loan from banks is secured by way of hypothecation of present and future inventories, Book debt, plant & machinery of the company and mortgage of the factory land & building situated at wada and by the personal guarantee from managing director and directors.

Note 14.1 - Loan from related parties

	As at 31 st March 2021 Rs. In Lacs	As at 31 st March 2020 Rs. In Lacs
Yuvraj Malhotra	15.47	42.76
Diksha Malhotra	78.90	79.65
Yashika Malhotra	13.53	11.35
Total	107.89	133.76

Note 15 - Provision

	As at 31 st March 2021 Rs. In Lacs	As at 31 st March 2020 Rs. In Lacs
Non Current		
Provision for gratuity	74.46	70.78
Provision for leave entitlements	5.40	7.84
Total	79.85	78.63
Current		
Provision for gratuity	12.28	13.61
Provision for leave entitlements	0.43	1.07
Total	12.70	14.68



HILTON METAL FORGING LIMITED

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Notes to the Financial Statement for the year ended 31st March, 2021

Note 16 - Deferred tax liabilities (Net)

	As at 31 st March 2021	As at 31 st March 2020
	Rs. In Lacs	Rs. In Lacs
<u>Deferred tax liabilities</u>		
Related to fixed assets (net of losses)	277.05	669.86
Deferred tax liabilities (Net)*	277.05	669.86

* Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.

Note 17 - Trade Payables

	As at 31 st March 2021	As at 31 st March 2020
	Rs. In Lacs	Rs. In Lacs
Micro, Small & Medium Enterprises (Refer Note-41)	25.62	-
Others Payable	265.42	2,442.30
Total	291.04	2,442.30

Note 18 - Other financial liabilities

	As at 31 st March 2021	As at 31 st March 2020
	Rs. In Lacs	Rs. In Lacs
Current		
Current Maturity	358.71	76.59
Interest accrued but not Due	-	24.79
Unpaid Dividend	1.15	1.74
Others	-	12.00
Total	359.86	115.13

Note 19 - Other Current Liabilities

	As at 31 st March 2021	As at 31 st March 2020
	Rs. In Lacs	Rs. In Lacs
Statutory Dues	7.29	10.16
Advance from customers	288.43	367.43
Other Current liabilities*	298.35	555.54
Total	594.08	933.13

* Other Current Liabilities include Creditor for capital expenditure & expenses

Note 20 - Provisions

	As at 31 st March 2021	As at 31 st March 2020
	Rs. In Lacs	Rs. In Lacs
Current Income Tax	-	28.51
Total	-	28.51



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Notes to the Financial Statement for the year ended 31st March, 2021

Note 21 - Revenue From Operation

	Year ended 31 st March 2021	Year ended 31 st March 2020
	Rs. In Lacs	Rs. In Lacs
Revenue from operations		
Sale of products	4,721.80	10,027.33
Other Operating Revenues	29.77	271.50
Total revenue from operations	4,751.57	10,299.23

Note 22 - Other Income

	Year ended 31 st March 2021	Year ended 31 st March 2020
	Rs. In Lacs	Rs. In Lacs
Dividend	-	0.04
Discount Received	0.02	0.01
Interest on Deposit	7.12	8.33
Rent income	11.10	13.75
Total	18.24	22.14

Note 23 - Cost of material and consumed

	Year ended 31 st March 2021	Year ended 31 st March 2020
	Rs. In Lacs	Rs. In Lacs
Opening Stock	3,280.44	3,377.09
Add: Purchases (Including stores)	4,209.23	7,244.13
	7,489.67	10,621.22
Less: Closing Stock (including stores)	(2,617.32)	(3,280.44)
Total	4,872.35	7,340.79

Note 24 - Change in inventories of finished goods and Work in Progress

	Year ended 31 st March 2021	Year ended 31 st March 2020
	Rs. In Lacs	Rs. In Lacs
Closing stock of finished goods	64.32	83.89
Closing stock of Semi-finished goods	1,183.43	2,241.71
	1,247.75	2,325.59
Less: Captive Consumption of Semi-finished goods	(673.65)	-
Opening stock of finished goods	83.89	36.46
Opening stock of Semi-finished goods	2,241.71	2,000.34
	1,651.94	2,036.80
Total	404.19	(288.79)

*The semi finished goods of Rs. 673.65 Lakhs has been used for Captive consumption in dies & Inserts and part of plant and machinery.

Note 25 - Employee benefit expenses

	Year ended 31 st March 2021	Year ended 31 st March 2020
	Rs. In Lacs	Rs. In Lacs
Salaries, wages and bonus	310.69	651.47
Contribution to provident and other funds	14.25	31.07
Staff welfare expenses	33.98	12.53
Total	358.93	695.07



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Notes to the Financial Statement for the year ended 31st March, 2021

Note 26 - Depreciation and amortization expense

	Year ended 31 st March 2021 Rs. In Lacs	Year ended 31 st March 2020 Rs. In Lacs
Depreciation on tangible assets	226.95	224.16
Dies amortize cost	25.05	34.67
Total	252.00	258.82

Note 27 - Finance Cost

	Year ended 31 st March 2021 Rs. In Lacs	Year ended 31 st March 2020 Rs. In Lacs
Interest on Borrowing	321.99	306.47
Other	72.15	34.19
Total	394.14	340.66

Note 28 - Other expenses

	Year ended 31 st March 2021 Rs. In Lacs	Year ended 31 st March 2020 Rs. In Lacs
Manufacturing expenses		
Power and fuel	306.27	469.83
Factory General Expenses	78.59	145.64
Labour Charges	28.42	27.23
Water Charges	5.21	6.40
Repairs & Maintenance	18.94	46.76
	437.43	695.87
Sales & Administration Expenses		
Advertisement & Sales Promotion Expenses	3.26	16.34
Communication Cost	2.92	4.44
Rent, Rates & Taxes	15.35	25.40
Traveling & Conveyance	28.90	55.46
Printing and Stationery	0.39	1.12
Freight & Forwarding Charges	156.48	771.80
Packing Material Consumed	17.85	35.26
Legal & Professional Charges	64.90	65.48
Auditors Remuneration	7.50	7.50
General expenses	103.19	125.37
	400.75	1,108.16
Total	838.18	1,804.03
Payment to Auditor		
Audit fee	7.50	7.50
	7.50	7.50

Note 29 - Basic earnings per shares

	Year ended 31 st March 2021	Year ended 31 st March 2020
Profit after tax (Rs. In Lacs)	(1,957.17)	154.99
Weighted average number of shares outstanding during the year (in Lacs)	124.43	124.43
Face value per share (In Rs.)	10.00	10.00
Basic & Diluted earnings per share (In Rs.)	(15.73)	1.25



HILTON METAL FORGING LIMITED
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Notes to the Financial Statement for the year ended 31st March, 2021
Note 30 - Contingent liabilities

	As at 31 st March 2021 Rs. In Lacs	As at 31 st March 2020 Rs. In Lacs
Bank guarantee	-	100.00

Note 31 - Segment reporting

Based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity falls within a single operating segment, namely Manufacturing of Steel Forgings, Flanges and Forged Fittings for oil & gas industry, Petrochemicals and refineries industry. Accordingly, the disclosure requirements of Ind AS 108 are not applicable.

Note 32 - Gratuity

The company operates one-defined plans, viz., gratuity. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 out of 26 days of salary for year of service. The gross obligation toward the gratuity at the end of the year on is Rs.86.74 Lacs (previous year, Rs. 84.39 Lacs.)

(i) Expenses recognised in the statement of profit and loss:

	Year ended 31 st March 2021 Rs. In Lacs	Year ended 31 st March 2020 Rs. In Lacs
Current service cost	4.73	4.67
Past service cost and loss/(gain)	-	-
Net interest cost	5.34	4.92
Total expenses recognized in the statement of profit or loss	10.07	9.59

(ii) Other Comprehensive Income for the current period

	As at 31 st March 2021 Rs. In Lacs	As at 31 st March 2020 Rs. In Lacs
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	(1.61)	4.34
Due to Change in Demographic assumptions	-	(0.06)
Due to experience adjustments	(4.26)	1.73
Amounts recognized in Other Comprehensive Income	(5.86)	6.02

Defined benefit obligation are as follows:

	As at 31 st March 2021 Rs. In Lacs	As at 31 st March 2020 Rs. In Lacs
Liability at the beginning of the year	84.39	68.78
Interest cost	5.34	4.92
Current service cost	4.73	4.67
Due to changes in financial assumption	(1.61)	4.34
Due to changes in demographic assumption	-	(0.06)
Past service cost	-	-
Due to experience Adjustment	(4.26)	1.73
Benefit Paid by Company	(1.87)	-
Liability at the end of the year	86.74	84.39



HILTON METAL FORGING LIMITED
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Notes to the Financial Statement for the year ended 31st March, 2021

The principal assumptions used in determining gratuity obligations for the company's plans are shown below:

	As at <u>31st March 2021</u>
Discount rate	6.80% P.A
Salary Growth Rate	5% pa
Withdrawal Rate	10% pa at younger ages reducing to 2% P.A at older ages
Age of retirement (years)	60

Note - 33 Leave Benefits

The benefits are governed by the company's Leave Policy. The gross obligation toward the Leave Benefit at the end of the year on is Rs.5.82 Lacs (previous year, Rs. 8.91 Lacs).

(i) Expenses recognised in the statement of profit and loss:

	As at <u>31st March 2021</u> Rs. In Lacs	As at <u>31st March 2020</u> Rs. In Lacs
Current service cost	0.93	1.11
Net interest cost	0.56	0.60
Net value of remeasurements on the obligation and plan asset	(3.69)	(1.18)
Total expenses recognized in the statement of profit or loss	(2.20)	0.54

(ii) defined benefit obligation:

	Year ended <u>31st March 2021</u> Rs. In Lacs	Year ended <u>31st March 2020</u> Rs. In Lacs
Opening Defined Benefit Obligation	8.91	8.37
Interest cost	0.56	0.60
Current service cost	0.93	1.11
Due to changes in financial assumption	(0.13)	0.46
Due to changes in demographic assumption	-	(0.00)
Benefit paid	(0.89)	-
Due to experience Adjustment	(3.57)	(1.63)
Liability at the end of the year	5.82	8.91

Key Assumption used in determining obligations for the company's plans are shown below:

	As at <u>31st March 2021</u>
Discount rate	6.80% P.A
Salary Growth Rate	5% P.A
Withdrawal Rate	10% pa at younger ages reducing to 2% p.a at old ages
Average Age of retirement (years)	60



Note 34 - Related Party Disclosure [as certified by Management]

(a) List of related parties where control exists and related with whom transactions have taken place and relationships:

Name of the Related Party	Designation	Relationship
Yuvraj Malhotra	Chairman and Managing Director (CMD)	Key Management Personnel
Navraj Malhotra	Whole time Director	
Diksha Malhotra	Director (upto 31/10/2019)	
Sanjay Jain	Director	
Sukesh Joshi	Director	
Nikita Moradia	Director	
Prithvishi Mundra	Director	
Sandeep Shah	Director	
Labdhi Shah	Company Secretary (Upto 30/11/2019)	
Richa Pankaj Shah	Company Secretary (from 17/08/2020)	
Yashika Yuvraj Malhotra	Chief Financial Officer(Upto 11/02/2019)	
Sidharth Jain	Chief Financial Officer(from 24/08/2020)	
Saurabh Johri	Chief Executive Officer (Upto 17/03/2020)	

b) Transactions with related parties for the year ended March 31, 2021

Particulars	(Rs. In Lacs)	
	Key Management Personnel	
	At at 31st March 2021 (In Lacs)	At at 31st March 2020 (In Lacs)
Remuneration & Salary		
Yuvraj Malhotra	-	45.00
Navraj Malhotra	22.00	24.00
Diksha Malhotra	-	22.50
Labdhi Shah	-	2.45
Yashika Yuvraj Malhotra	10.00	12.00
Saurabh John	-	24.00
Sidharth Jain	2.70	-
Loans taken		
Yuvraj Malhotra	31.71	50.04
Diksha Malhotra	-	59.25
Yashika Yuvraj Malhotra	5.18	0.70
Loans repayment		
Yuvraj Malhotra	59.01	92.25
Diksha Malhotra	0.75	57.53
Yashika Yuvraj Malhotra	3.00	2.50
Expenses Reimbursement		
Navraj Malhotra	10.74	-

c) Balances with related parties as at March 31, 2021

Balance Outstanding at year end		
Yuvraj Malhotra	15.47	42.76
Diksha Malhotra	78.90	79.65
Yashika Yuvraj Malhotra	17.29	11.35
Labdhi Shah	-	0.26
Saurabh Johari	-	3.25
Sidharth Jain	0.44	-



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Notes to the Financial Statement for the year ended 31st March, 2021

Note 35 - Expenditure in foreign currency (accrual basis)

	As at 31 st March 2021	As at 31 st March 2020
	Rs. In Lacs	Rs. In Lacs
Foreign Travelling	-	2.17
Total	-	2.17

Note 36 - Value of Imports calculated on CIF basis

	As at 31 st March 2021	As at 31 st March 2020
	Rs. In Lacs	Rs. In Lacs
Trading goods	37.31	257.44
Total	37.31	257.44

Note 37 - Imported and indigenous raw material, components and spare parts consumed

	As at 31st March 2021		As at 31st March 2020	
	% of total consumption	Amount in Rs.Lacs	% of total consumption	Amount in Rs.Lacs
Imported	1.13	59.50	-	-
Indigenous	98.87	5,217.05	100.00	7,425.73
Total	100.00	5,276.55	100.00	7,052.00

Note 38 - Financial Derivative Instruments

Foreign currency exposure that are not hedge by derivative instruments as on 31st March, 2021 is USD \$ 1,383,250/- & Euro (€) 50,077/- [previous year USD \$ 544,712.00]. The unhedged exposure are naturally hedged by foreign currency earnings and earnings linked to foreign currency.

Note 39 - Categories Of Financial Instruments

	As at 31 st March 2021	As at 31 st March 2020
	Rs. In Lacs	Rs. In Lacs
Financial Assets		
<u>Break up of financial assets carried at amortised cost</u>		
Trade receivables (Note 6)	1,391.65	3,816.04
Cash and Bank balances (Note 9 & 10)	97.61	159.91
Other financial assets (Note 7)	37.92	39.71
Total financial assets carried at amortised cost	1,527.18	4,015.67
<u>Break up of financial assets at fair value through profit or loss</u>		
Investments-Non-current (Note 5)	0.50	0.50
Total financial assets carried at fair value through profit or loss	0.50	0.50

Financial Liabilities
Break up of financial liabilities carried at amortised cost

Non Current-Long term Borrowings (Note 14)	1,505.88	993.06
Current-Short term Borrowings (Note 14)	3,867.54	3,383.42
Trade payables (Note 17)	291.04	2,442.30
Other Current Financial Liabilities (Note 18)	359.86	115.13
Total financial liabilities carried at amortised cost	6,024.32	6,933.91



The management has assessed that the carrying values of the Financial Assets and Liabilities at amortised cost approximate their fair value largely due to their short-term maturities of these instruments.

Note 40A - Financial Risk Management Objectives And Policies

The Company's principal financial assets include trade & other receivables, and cash & cash equivalents that derives directly from its operations. The Company's principal financial liabilities comprise trade & other payables and short term borrowings. The main purpose of majority of these financial liabilities is to manage working capital of the Company.

The Company is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The below note explains the sources of risk which the Company is exposed to and how the entity manage the risk :

A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, primarily cash & cash equivalents.

i) Trade receivables

Customer credit risk is managed in accordance with the Company's established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored through credit lock and release effectively manage the exposure.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The Company does not hold any collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as most of its external customers are established players in their industry.

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered related credit information for its customer, that's available in public domain to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

ii) Cash and Cash equivalents and Other financial assets

Credit risk from balances with banks is managed by the Board of Directors in accordance with the Company's policy. Investment of surplus funds are made for short-term in deposit with banks. Investments and Bank deposits are reviewed by the Board of Directors on a quarterly basis. Credit risk arising from short term liquid fund, cash and cash equivalents and other balances with banks is limited and no collaterals are held against these because the counterparties are banks.

Other financial assets mainly include security deposits & other receivables. There are no indications that defaults in payment obligations would occur in respect of these financial assets.

B) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to different types of market risks. For the Company, the market risk is the possibility of changes in foreign currency exchange rates and commodity prices which may affect the value of the Company's financial assets, liabilities or expected future cash flows.



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Notes to the Financial Statement for the year ended 31st March, 2021

i) Commodity Risk

Commodity risk for the Company is mainly related to fluctuations in steel prices which drives the prices of billet, steel bars, and tubes. Since, steel is the primary input materials for making of forging, which are used in manufacturing the final products, any fluctuation in steel prices can lead to drop in operating margin. Most of these input materials are procured from approved vendors and subject to price negotiations. In order to mitigate the risk associated with raw material and components prices, the Company manages its procurement through productivity improvements, expanding vendor base and constant pricing negotiation with vendors. The Company renegotiates the prices with its customers in case there is more than normal deviation in the prices of its major raw materials. Additionally, the processes and policies related to such risks are reviewed and controlled by senior management team.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The risk of fluctuations in foreign currency exchange rates on its financial liabilities including trade and other payables etc., which are mainly in US Dollars are mitigated through the natural hedge alignment, as Company's export sales are predominantly in US dollars and such economic exposure through trade and other receivables in US dollars provide natural alignment. Hence, a reasonable variation in the Foreign exchange rate would not have much impact on the profit or loss / equity of the Company. Net foreign currency exposure also reviewed by the Board of Directors on a quarterly basis.

Foreign currency sensitivity analysis

The Company is exposed to the currencies USD & EURO on account of outstanding receivables (+) and payables (-). The Company's net exposure to foreign currency risk at the end of the reporting period expressed in respective currencies given below:

Foreign currency exposure that are not hedge by derivative instruments as on 31st March, 2021 is USD \$ 1,383,250/- & Euro (€) 50,077/- (previous year USD \$ 544,712/-). The unhedged exposure are naturally hedged by foreign currency earnings and earnings linked to foreign currency.

C) Liquidity risk

Liquidity risk is defined as a risk that the Company will not be able to meet its obligations on time or at a reasonable price. An effective liquidity risk management takes into consideration in maintaining optimum level of cash and cash equivalents and the availability of funding through an credit facilities at a reasonable cost to meet the obligation when due. Additionally, the processes and policies related to such risks are reviewed and controlled by senior management team. Management continuously reviews the actual cash flows and forecasts the expected cash flows to monitor the liquidity position. All the current financial liabilities of the Company are due to be paid with in twelve months from the date from the Balance sheet date. All non-current financial liabilities are due to be paid in more than twelve months from the Balance sheet date. However the interest component of all the non-current financial liabilities if any will be payable as and when due, which may be with in twelve months from the date of Balance sheet date.

Fair values

i) Class wise fair value of the Company's financial instruments:

	As at 31 st March 2021 Rs. In Lacs	As at 31 st March 2020 Rs. In Lacs
Investments (unquoted) in Equity shares	0.50	0.50



HILTON METAL FORGING LIMITED
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Notes to the Financial Statement for the year ended 31st March, 2021
ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021:			
Assets measured at fair value::			
Investment in equity shares	-	-	0.50
Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:			
Assets measured at fair value:			
Investment in equity shares	-	-	0.50

a) The Company has determined the carrying value of the investment as its fair value in the absence of any available fair value for its non-current investment which is carried at cost.

Note 40B - Capital Management

The primary objective of the Company's capital management is to maximise the shareholder value. For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The Company's objective when managing capital are to :

- (i) Safeguard their ability to continue as a going concern, so that the Company maximise shareholder value and provide benefits for other stakeholders and
- (ii) Maintain an optimal capital structure to reduce the weighted average cost of capital in order to maintain or adjust the capital structure.

	As at 31 st March 2021 Rs. In Lacs	As at 31 st March 2020 Rs. In Lacs
Total Debt (Note 14)	5,732.13	4,453.07
Less: Cash and Cash Equivalents (Note 9)	(96.46)	(158.17)
Net Debts	5,635.67	4,294.90
Total Equity	4,311.48	6,268.65
Net Debt/ Equity ratio	1.31	0.69

Note 41 - Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Dues to micro and small enterprises as defined under MSMED Act, 2006, the company has not made interest provision on late payment to creditors, due to the negotiation on the accepted date, under the said act as per the applicable provisions of the law in respect to the extent of such parties have been identified on the basis of information collected by the Management. Further the company has not received intimation from every "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.



HILTON METAL FORGING LIMITED

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Notes to the Financial Statement for the year ended 31st March, 2021

Note 42 - Deferred taxes

Deferred tax is calculated in temporary differences between accounting and tax values as well as any tax losses carried forward at the year-end. Net deferred tax assets are recognized only to the extent that it is probable they will be utilized against future taxable profits.

Note 43 - Out of the total debtors of Rs.1391.65 Lakhs As at March 31, 2021, Rs.449.79 Lakhs has more than one year at the year end. For this the management is in discussion with these debtors to expedite the recoverability of the above aforesaid outstanding amounts and believes that the entire amount is fully recoverable. In view of the forgoing, no provision is considered necessary in these financial statements in this regard.


Note 44 - The spread of COVID-19 has severely impacted business in many countries including India and there have been severe disruption to regular business operations due to lockdown and other emergency measures. This may impact the Company's operations. The Company has made assessment of liquidity, recoverable values of its financial and non-financial assets, financial and non-financial liabilities, carrying value of its subsidiaries including possible obligations arising from any ongoing negotiations with customers, vendors and regulatory exposures across businesses and geographies and has concluded that there are no material adjustments required in the interim financial results and annual financial statements. The management believes that it has assessed and taken all the possible impacts known from these events wherever possible outcome is known. However, given the effect of these on the overall economic activity and in particular in the industry in which Company operates, the impact assessment of COVID-19 is a continuous process, given the significant estimation and uncertainties associated with its nature, duration and outcome of any negotiations. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor any material changes to future economic conditions and its consequential impact on its financial results.


Note 45 - Trade receivable, trade payable, loans & advances and outstanding balance are subject to confirmation and reconciliation. However, the Management does not expect any material variation in the financial results.

Note 46 - The figures for the corresponding previous year have been regrouped/ reclassified wherever necessary, to make them comparable.

As per our report of even date

For: Anil Bansal & Associates
Chartered Accountants
Firm registration number:100421W


Anil Bansal
Partner
Membership no. 043918
Place : Mumbai
Date : 28th June, 2021

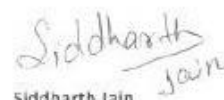


For and on Behalf of Board of
Hilton Metal Forging Limited


Yuvraj Malhotra
Chairman/Managing Director
(DIN-00225156)


Richa Pankaj Shah
Company Secretary
(DERPS10490)


Navraj Malhotra
Whole Time Director
(DIN-00225183)


Siddharth Jain
CFO
(ATJPJ8685J)



ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Reviewed / Unaudited Financial Information for the period from April'22 to June'22 and Audited Financial Information for the Financial Years ending March 31, 2022, March 31, 2021 and March 31, 2020. For further details please refer to the section titled '**Financial Statements**' beginning on page 70.

PARTICULARS	APRIL'22 - JUNE' 22*	2022**	2021**	2020**
Basic and Diluted Earnings per Equity Share (₹)	0.82#	1.42	(15.73)	1.25
Return on Net Worth (%)	2.21#	3.93	(45.39)	2.47
Net Asset Value per Equity Share (₹)	36.88	36.07	34.65	50.38
EBITDA (₹ in Lakhs)	303.55	422.39	(1703.84)	770.25

*Based on the Reviewed / Unaudited Financial Information for the period from April'22 to June'22

**Based on the Audited Financial Statements for the Financial Year ending March 31

#Not Annualised

The formula used in the computation of the above ratios is as follows:

PARTICULAR	COMPUTATION OF FORMULAS
Basic earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares);
Diluted earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares (including convertible securities));
Return on Net Worth (%)	(Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income)/ (Net worth at the end of the year);
Net Asset Value per Equity Share (₹)	(Net Worth)/ (Number of Equity Shares outstanding for the year);
EBITDA (₹)	Profit for the year before finance costs, tax, depreciation, amortization and exceptional items as presented in the statement of profit and loss;

(Amount in ₹ Lakhs)

PARTICULARS	APRIL'22 - JUNE' 22*	2022**	2021**	2020**
Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (A)	101.47	176.21	(1957.17)	154.99
Net worth at the end of the year (B)	4589.16	4487.69	4311.48	6268.65
Return on Net Worth (%) [(A)/(B)]	2.21#	3.93	(45.39)	2.47

#Not Annualised

(Amount in ₹ Lakhs)

PARTICULARS	APRIL'22 - JUNE' 22*	2022**	2021**	2020**
Net Worth (A)	4589.16	4487.69	4311.48	6268.65
Number of issued, subscribed and fully paid-up Equity Shares outstanding as at the year ended (Numbers) (B)	124.43	124.43	124.43	124.43
Net Asset Value per Equity Share (₹) [(A)/(B)]	36.88	36.07	34.65	50.38

(Amount in ₹ Lakhs)

PARTICULARS	APRIL'22 – JUNE' 22*	2022**	2021**	2020**
Equity Share capital (A)	1244.30	1244.30	1244.30	1244.30
Reserves and Surplus (B)	3344.86	3243.39	3067.18	5024.35
Net Worth (₹) [(A)/(B)]	4589.16	4487.69	4311.48	6268.65

(Amount in ₹ Lakhs)

PARTICULARS	APRIL'22 – JUNE' 22*	2022**	2021**	2020**
Net Profit/ (loss) after tax (A)	101.47	176.21	(1957.17)	154.99
Income tax expenses (B)	25.17	(426.02)	(392.81)	15.78
Finance Cost (C)	119.32	418.01	394.14	340.66
Depreciation and Amortization expense (D)	57.59	254.19	252.00	258.82
EBITDA (A+B+C+D)	303.55	422.39	(1703.84)	770.25

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STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our Company's Equity Shares are listed on the BSE and NSE and the Right Shares issued pursuant to this Issue will be listed on BSE - the Designated Stock Exchange and NSE. For further details, please refer to the section titled 'Terms of the Issue' on page 170.

Our Company shall receive an in-principle approval for listing of the Right Shares on the BSE and NSE to be issued pursuant to this Issue from Right Shares pursuant to letter bearing reference number 'DCS/RIGHT/KK/FIP/2689/2022-23' dated October 11, 2022 and Ref. No: NSE/LIST/32494 dated September 20, 2022. Our Company shall also make applications to BSE and NSE to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

For the purpose of this section, unless otherwise specified:

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
4. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

STOCK MARKET DATA OF THE EQUITY SHARES

The high, low and average prices recorded on the BSE and NSE, during the preceding 3 (Three) Financial Years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

FINANCIAL YEAR	DATE OF HIGH	HIGH	VOLUME ON DATE OF HIGH (NO. OF EQUITY SHARES)	DATE OF LOW	LOW	VOLUME ON DATE OF LOW (NO. OF EQUITY SHARES)	AVERAGE PRICE FOR THE FINANCIAL YEAR
2021-22	28-Mar-22	34.45	44269	01-Apr-21	9	1264	17.43
2020-21	13-Jan-21	16.06	5032	08-Apr-20	6.94	10	10.28
2019-20	02-Apr-19	20.8	242	30-Mar-20	5.71	2430	11.82

Source: www.bseindia.com

FINANCIAL YEAR	DATE OF HIGH	HIGH	VOLUME ON DATE OF HIGH (NO. OF EQUITY SHARES)	DATE OF LOW	LOW	VOLUME ON DATE OF LOW (NO. OF EQUITY SHARES)	AVERAGE PRICE FOR THE FINANCIAL YEAR
2021-22	28-Mar-22	34.30	124843	01-Apr-21	9	11894	17.41
2020-21	14-Jan-21	16.5	36342	03-Apr-20	6.7	3181	10.20
2019-20	01-Apr-19	21.05	2936	18-Oct-19	6.2	6846	11.83

Source: www.nseindia.com

The high, low, and average prices recorded on the BSE and NSE, during the last 6 (Six) months and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

MONTH	DATE OF HIGH	HIGH	VOLUME (NO. OF EQUITY SHARES)	DATE OF LOW	LOW	VOLUME (NO. OF EQUITY SHARES)	WEIGHTED AVERAGE PRICE
Mar-22	28-03-2022	34.45	44269	02-03-2022	23.35	9422	28.51
Apr-22	19-04-2022	44.8	41751	06-04-2022	29.4	10731	36.89
May-22	02-05-2022	37.25	1131	27-05-2022	26.5	5999	30.78
Jun-22	30-06-2022	37.5	7350	17-06-2022	23.7	2982	28.83
Jul-22	29-07-2022	48.25	140241	05-07-2022	33.65	58899	41.12
Aug-22	18-08-2022	69.1	43881	01-08-2022	45.85	71322	59.55

Source: www.bseindia.com

MONTH	DATE OF HIGH	HIGH	VOLUME (NO. OF EQUITY SHARES)	DATE OF LOW	LOW	VOLUME (NO. OF EQUITY SHARES)	WEIGHTED AVERAGE PRICE
Mar-22	28-03-2022	34.45	44269	02-03-2022	23.35	9422	28.52
Apr-22	19-04-2022	44.8	41751	06-04-2022	29.4	10731	36.87
May-22	02-05-2022	37.25	1131	27-05-2022	26.5	1519	30.78
Jun-22	30-06-2022	37.5	21824	20-06-2022	23.7	14047	28.83
Jul-22	29-07-2022	48.25	140241	05-07-2022	33.65	58899	41.12
Aug-22	18-08-2022	69.1	43881	01-08-2022	45.85	71322	59.55

Source: www.nseindia.com

The high, low, and average prices recorded on the BSE and NSE, during the last 4 (Four) weeks and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

MONTH	DATE OF HIGH	HIGH	VOLUME (NO. OF EQUITY SHARES)	DATE OF LOW	LOW	VOLUME (NO. OF EQUITY SHARES)	WEIGHTED AVERAGE PRICE
Aug-22	18-08-2022	69.1	43881	01-08-2022	45.85	71322	59.55

Source: www.bseindia.com

MONTH	DATE OF HIGH	HIGH	VOLUME (NO. OF EQUITY SHARES)	DATE OF LOW	LOW	VOLUME (NO. OF EQUITY SHARES)	WEIGHTED AVERAGE PRICE
Aug-22	18-08-2022	69.1	43881	01-08-2022	45.85	71322	59.55

Source: www.nseindia.com

The Issue Price of ₹ 55/- (Rupees Fifty Five Only) per Equity Share has been arrived at by our Company in consultation with the Lead Manager.



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Audited Financial Statements as of and for the Fiscal 2022 and Fiscal 2021 included in this Letter of Offer. Our Audited Financial Statements for Fiscal 2022 & Fiscal 2021 are prepared in accordance with Ind AS. Unless otherwise stated, the financial information used in this chapter is derived from the Audited Financial Statements of our Company.

Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to “we”, “us” or “our” refers to Hilton Metal Forging Limited, our Company. Unless otherwise indicated, financial information included herein are based on our ***Financial Statements*** for the period ended on Financial Years 2022 and 2021 included in this letter of offer beginning on page 70.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be *Forward Looking Statements* within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

BUSINESS OVERVIEW

Our company is mainly engaged in the business of manufacturing of stainless-steel forging flanges allied pipe fitting items and Valve Body bonnet for Oil and Gas Sector. The products include stainless steel forged flanges forged fittings and lap-joint stub-ends (seamless). The company provides services in the areas such as oil and gas sectors petro chemical and refineries marine and ship building paper and pulp and agricultural sectors. Our manufacturing unit is located at Plot no. 1,2,3,15,16,17,20,21,25,26,28,29 & 30 Shah & Mehta Industrial Estate, Village Ghonsai, Tal. Wada, Dist. Palghar, Thane-421312

For further details, please refer to the chapter titled ***Our Business*** beginning on page 60.

FINANCIAL PERFORMANCE

The financial performance of our Company for the year ended on as on March 31, 2022 and March 31, 2021 is as follows:

(Amount in ₹ Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	8,413.97	4,751.57
EBITDA	556.6	(1,703.76)
Profit / (loss) after tax from continuing operation	176.21	(1,957.17)
Profit / (loss) after tax from discontinuing operation	0.00	0.00
Total Profit / (loss)	176.21	(1,957.17)

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subject to various risks and uncertainties, including those discussed in the section titled ***Risk Factors*** on page 21.

Our Company's future results of operations could be affected potentially by the following factors:

1. Company's ability to successfully implement our strategy, our growth and expansion, technological changes;
2. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
3. Inability to successfully obtain registrations in a timely manner or at all;

4. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
5. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
6. Changes in laws and regulations relating to the industries in which we operate;
7. Intensified competition in industries/sector in which we operate;
8. Our ability to attract, retain and manage qualified personnel;
9. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
10. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
11. Our ability to expand our geographical area of operation.

SIGNICANT CHANGES IN ACCOUNTING POLICIES

Except as mentioned in section titled '*Financial Statements*' beginning on page 70, there has been no change in accounting policies during the Fiscal years 2022 and 2021.

RESERVATIONS, QUALIFICATIONS, MATTER OF EMPHASIS, ADVERSE REMARKS / OTHER OBSERVATIONS IN CARO

The auditor didn't have any reservations, qualifications, emphasis of matters, adverse remarks or other observations in CARO except as mentioned below:

Extracts of Audit Report for FY 2021-22:

Emphasis of Matter Paragraph

Refer note no. 44 to the financial results. Out of the total debtors of Rs.614.22 Lakhs As at March 31, 2022, Rs.475.71 Lakhs has more than one year at the year end. As explained to us, management is in discussion with these debtors to expedite the recoverability of the above aforesaid outstanding amounts and believes that the entire amount is fully recoverable. Therefore, no provision is considered necessary in these financial statements in this regard. Refer note no. 45 to the financial results which explain the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to COVID-19 pandemic situation, for which definitive assessment of the impact in the subsequent period is dependent upon circumstances as they evolve. Our opinion is not qualified in respect of above matter.

PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS

Revenue

Our revenue comprises of:

i. Revenue from operations

Revenue from operations is on account of sales of products i.e. flanges, body bonnets, forged components and others. It also includes other operating income.

ii. Other Income

Other income primarily comprises recurring income which includes interest income, dividend income as well as certain nonrecurring income such as dividend and rent income.

Expenses

Our expenses primarily comprise cost of material consumed, changes in inventories of finished goods, stock-in-trade and work-in-progress, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

i. Cost of material consumed

The Cost of material consumed comprises of changes in raw material (including stores) & purchase of raw material like Stainless Steel, Alloy Steel, Carbon Steel and Nickel Rods.

ii. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Changes in inventories of finished goods, stock-in-trade and work-in-progress comprises of difference in closing balance vis-a-vis opening balance of finished goods, waste and work-in-progress materials.

iii. Employee benefit expense

Employee benefit expense consists of salaries, wages, contribution to provident fund & other funds, and staff welfare expenses.

iv. Finance cost

Finance cost comprises interest expense and other finance costs. Interest expense generally comprises interest on secured loans and unsecured loans. Other finance costs consist of bank charges and other fees.

v. Depreciation and Amortization Expense

Depreciation and amortization expense comprises of depreciation on property, plant and equipment.

vi. Other expenses

Other expenses comprise of power and fuel expense, factory general expenses, labour charges, repairs and maintenance, advertisement & sales promotion expenses, rent rates & taxes, freight & forwarding charges, legal and professional fees and general expenses.

vii. Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or asset is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

RESULT OF OUR OPERATION

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022		FOR THE YEAR ENDED MARCH 31, 2021	
	AMOUNT IN ₹ LAKHS	% OF TOTAL REVENUE	AMOUNT IN ₹ LAKHS	% OF TOTAL REVENUE
I. Revenue from operations	8,413.97	99.94%	4,751.57	99.62%
II. Other Income	5.02	0.06%	18.24	0.38%
III. Total Revenue (I +II)	8,418.99	100.00%	4,769.81	100.00%
IV. Expenses				
Cost of materials consumed	7,635.85	90.70%	4,872.35	102.15%
Change in Inventory of finished goods and Work in Progress	(830.40)	-9.86%	404.19	8.47%
Employee Benefits expense	342.86	4.07%	358.93	7.53%
Depreciation and amortization expenses	254.19	3.02%	252.00	5.28%
Finance Costs	418.01	4.97%	394.14	8.26%
Other expenses	714.07	8.48%	838.18	17.57%
Total Expenses	7,635.85	90.70%	4,872.35	102.15%
V. Profit / (Loss) before Exceptional Item (III -IV)	(115.60)	-1.37%	(2,349.99)	-49.27%
VI. Exceptional Item	134.21	1.59%	-	0.00%
VII. Profit / (Loss) after Exceptional Item (V-VI)	(249.81)	-2.97%	(2,349.99)	-49.27%
VIII. Tax expenses				
a. Current tax	-	0.00%	-	0.00%
b. Deferred tax	(426.02)	-5.06%	(392.81)	-8.24%
IX. Profit / (Loss) for the period (VII-VIII)	176.21	2.09%	-1,957.18	-41.03%

Comparison of Financial Year Ended March 31, 2022 with Financial Year Ended March 31, 2021

A) Total Revenue

Our total revenue for the Fiscal 2022 was ₹ 8,418.99 Lakhs as compared to ₹ 4,769.81 Lakhs for the Fiscal 2021, representing an increase of 76.51%. Total revenue comprises of:

i) Revenue from Operations

Our revenue from operations for the Fiscal 2022 was ₹ 8,413.97 Lakhs as compared to ₹ 4,751.57 Lakhs for the Fiscal 2021, representing an increase of 77.08%. This increase was primarily due to increase in sale of our products.

ii) Other income

Other income for the Fiscal 2022 was ₹ 5.02 Lakhs as compared to ₹ 18.24 Lakhs for the Fiscal 2021, representing a decrease of 72.48%. The decrease in other income was primarily due to no rent income in Fiscal 2022 and decline in interest on deposit.

B) Expenses

Our total expenditure for the Fiscal 2022 was ₹ 8,534.59 Lakhs as compared to ₹ 7,199.80 Lakhs for the Fiscal 2021, representing an increase of 19.87%. Total expenditure comprises of:

i) Cost of Material Consumed

The Cost of Material Consumed for the Fiscal 2022 was ₹ 7,635.85 Lakhs as compared to ₹ 4,872.35 Lakhs for the Fiscal 2021, representing an increase of 56.72%. This increase was due to increase in prices and volumes of major raw materials consumed in production of our products.

ii) Changes in Inventories of finished goods, stock-in-trade and work-in-progress

The changes inventories of finished goods, stock-in-trade and work-in-progress for the Fiscal 2022 were ₹ (830.40) Lakhs as compared to ₹ 404.19 Lakhs for the Fiscal 2021, primarily due increase in closing stock of finished goods and work in progress.

iii) Employee benefit expenses

Employee benefit expense for the Fiscal 2022 was ₹ 342.86 Lakhs as compared to ₹ 358.93 Lakhs for the Fiscal 2021, representing a decrease of 4.48%. This increase was due to decrease in staff welfare expense.

iv) Finance cost

Finance cost for the Fiscal 2022 was ₹ 418.01 Lakhs as compared to ₹ 394.14 Lakhs for the Fiscal 2021, representing an increase of 6.06%. The increase in finance cost is due to increase in term loans.

v) Depreciation and Amortization Expenses

Depreciation and amortization expense for the Fiscal 2022 was ₹ 254.19 Lakhs as compared to ₹ 252.00 Lakhs for the Fiscal 2021, representing an increase of 0.87%. The increase is due to addition in Plant & Machinery, Computer and Furniture & Fixtures.

vi) Other expenses

Other expenses for the Fiscal 2022 were ₹ 714.07 Lakhs as compared to ₹ 838.18 Lakhs for the Fiscal 2021, representing a decrease of 14.81%. The decrease was mainly due to decrease in packing and material consumed, freight & forwarding charges, legal & professional charges and general expenses.

C) Profit/(loss) before exceptional and extra-ordinary item

Profit/(loss) before exceptional and extra-ordinary item for Fiscal 2022 was ₹ (115.60) Lakhs as compared to ₹ (2,349.90) Lakhs for Fiscal 2021. This decrease in losses was primarily due to increase in revenue from operations.

D) Exceptional item

Exceptional item for Fiscal 2022 was ₹ 134.21 as compared to ₹ Nil for Fiscal 2021.

E) Profit/(loss) before Tax

The profit/(loss) before tax for Fiscal 2022 was ₹ (249.81) Lakhs as compared to ₹ (2,349.90) Lakhs for Fiscal 2021.

F) Tax expenses

Total tax expense for the Fiscal 2022 was ₹ (426.60) as compared to ₹ (392.81) for Fiscal 2021.

G) Profit/(loss) after tax

For the reasons discussed above, the profit/(loss) after tax for the Fiscal 2022 was ₹ 176.21 Lakhs as compared to ₹ (1,957.17) Lakhs for the Fiscal 2021.

H) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the chapter titled '**Risk Factors**' and chapter titled '**Management's Discussion and Analysis of Financial Conditions and Results of Operations**' beginning on page 21 and 152, respectively, of this Letter of Offer, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

I) Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Letter of Offer, there have been no events or transactions to our knowledge which may be described as "unusual" or "infrequent".

J) Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the chapter titled '**Risk Factors**' and chapter titled '**Management's Discussion and Analysis of Financial Conditions and Results of Operations**' beginning on page 21 and 152 respectively, and elsewhere in this Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

K) Significant dependence on a Single or Few Suppliers or Customers

Other than as described in this Letter of Offer, particularly in chapter titled '**Risk Factors**' on page 21, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

L) Related Party Transactions

For details, please see the chapter titled '**Financial Statements**' beginning on page 70.

M) Significant developments after March 31, 2022 that may affect our future results of operations

Other than as disclosed in this Letter of Offer, there have been no significant developments after March 31, 2022 that may affect our future results of operations. For further information, please see the chapter titled '**Material Developments**' on page 159.

SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS

Except as disclosed below, there are no outstanding litigations involving our Company whose financial statements are included in the letter of offer including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

- In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as 'material';
- For the purpose of determining materiality, the threshold shall be determined by the issuer as per requirements under the SEBI (LODR) Regulations;

Unless stated to the contrary, the information provided below is as of the date of this Letter of Offer.

LITIGATION INVOLVING OUR COMPANY

1) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

2) Litigation involving Tax Liabilities

a) Direct Tax Liabilities

Total Liabilities amounting to ₹ 41,90,742 (Rupees Forty-One Lakhs Ninety Thousand Seven Hundred and Forty-Two Only), bifurcation of which is provided below:

ASSESSMENT YEAR	NOTICE/DEMAND ORDER ID	DEMAND UNDER SECTION [^]	DATE OF ISSUANCE	AMOUNT OF DEMAND* (₹)
2018-19	2020201937000940730C	143(1)(a)	16/04/2020	41,680
2015-16	2018201637044418682C	143(3)	12/12/2018	6,150
2011-12	2015201210002275271C	154	12/02/2016	1,79,166
2006-07	2019200710000330592C	154	20/06/2019	1,103,320

FINANCIAL YEAR	SHORT PAYMENT (₹)	SHORT DEDUCTION (₹)	INTEREST ON PAYMENT DEFAULT U/S 201 [^] (₹)	INTEREST ON DEDUCTION DEFAULT U/S 201 [^] (₹)	LATE FILING FEES U/S 234E [^] (₹)	INTEREST U/S 220(2) [^] (₹)	TOTAL DEFAULT* (₹)
2021-22	0	0	27,570	0	3,000	0	30,570
2019-20	0	0	40,260	0	7,000	3,113	50,373
2018-19	0	0	48,297	0	1,200	956	50,453
Prior Year	7,30,451	1,48,210	1,641,846	39,521	120,600	48,403	27,29,031
Total	7,30,451	1,48,210	17,57,973	39,521	1,31,800	52,472	28,60,426

[^]Section of the Income Tax Act, 1961

*The Matter is being attended by the company and final liability has not yet been determined.

b) Indirect Taxes Liabilities

NIL

3) Proceedings involving issues of moral turpitude or criminal liability on the part of our Company

As on date of this Letter of Offer, there are no proceedings involving issues of moral turpitude or criminal liability filed against our Company.

4) Proceedings involving Material Violations of Statutory Regulations by our Company

As on date of this Letter of Offer, there are no proceedings involving issues of material violations of statutory regulations our Company.

5) Matters involving economic offences where proceedings have been initiated against our Company

As on date of this Letter of Offer, there are no matters involving economic offences where proceedings have been initiated against our Company.

6) Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

As on date of this Letter of Offer, there are no proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company.

LITIGATION INVOLVING OUR DIRECTORS, PROMOTERS, PROMOTER GROUP AND KMPs

Litigation Involving Actions by Statutory/Regulatory Authorities:

As on date of this Letter of Offer, except as mentioned below, there are no subsisting litigations involving actions by statutory/ regulatory authorities filed by or against our directors, promoters, and promoter group.

- **Direct Tax Liabilities**

Outstanding Demands aggregating to INR 146,356/- from one of our Promoters; Shri Navraj Malhotra

ASSESSMENT YEAR	NOTICE/DEMAND ORDER ID	DEMAND UNDER SECTION [^]	DATE OF ISSUANCE	AMOUNT OF DEMAND (₹)	REMARKS
2009	2011200910067170360T	143(3)	30/12/2011	93,230 (& additionally Interest of 30,756)	Such matter is dealt by Mr. Navraj Malhotra
2017	2018201737030629305T	143(1)(a)	30/08/2018	22,370	

[^]Section of the Income Tax Act, 1961

- **Indirect Taxes Liabilities**

NIL

LITIGATION INVOLVING OUR GROUP COMPANIES

As on date of this Letter of Offer, there are no subsisting litigations filed by or against our group companies.

DISCLOSURES PERTAINING TO FRAUDULENT BORROWERS

Neither our Company, nor our Promoter or any of our Directors, are or have been categorized as a fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoter or any of our Directors are or have been categorized as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI.

DETAILS OF MATERIAL DEVELOPMENTS AFTER THE DATE OF LAST BALANCE SHEET FOR THE FINANCIAL YEAR ENDING MARCH 31, 2022

Except as mentioned below and in this Letter of Offer, no material circumstances have arisen since the date of last financial statement until the date of filing the Letter of Offer, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months to our knowledge.

1. Mr. Navraj Malhotra (DIN - 00225183), has tendered his Resignation from the position of Whole -Time Director with effect from Thursday, 31st March, 2022. He further informed that he will continue to serve the Company in the official capacity of "President Technical" w.e.f. 1st April, 2022.
2. Appointment of M/s NNT & Co. as the Cost Auditors of the Company for the financial year ending 31st March 2023.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary consents, licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities.

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Letter of offer.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

APPROVALS FOR THE ISSUE

The following approvals have been obtained or will be obtained in connection with the Issue:

1) Approvals in Relation to the Issue

- a. The Board of Directors in pursuance of Section 62(1)(a) of the Companies Act, 2013, by a resolution passed at its meeting held on August 12, 2022, have authorized the Issue In-principle approval from the BSE and NSE bearing reference number 'DCS/RIGHT/KK/FIP/2689/2022-23' dated October 11, 2022 and NSE/LIST/32494 dated September 20, 2022 to use the name of BSE and NSE for listing of the Equity Shares issued by our Company pursuant to the Issue;
- b. The Board of Directors vide Board resolution dated Saturday, October 15, 2022, approved the Rights Issue Price, Record Date, and other terms and conditions for the purpose of this Rights Issue.
- c. The Board of Directors vide Board resolution dated Wednesday, October 19, 2022, approved this Letter of Offer;
- d. The ISIN of the Company is INE788H01017;
- e. The ISIN for the Rights Entitlement is INE788H20017;

2) Corporate / General Authorizations

APPROVALS PERTAINING TO INCORPORATION OF OUR COMPANY

SR. NO.	DESCRIPTION	REGISTRAR/ ISSUING AUTHORITY	REGISTRATION NO./REFERENCE NO./LICENSE NO.	DATE OF CREATION	DATE OF EXPIRY
1.	Certificate of Incorporation in the name of 'Hilton Metal Forging Limited'	Registrar of Companies, Mumbai, Maharashtra	154986	21.07.2005	Valid until cancelled

TAX RELATED APPROVALS

SR. NO.	DESCRIPTION	REGISTRAR/ ISSUING AUTHORITY	REGISTRATION NO./REFERENCE NO./LICENSE NO.	DATE OF CREATION	DATE OF EXPIRY
1.	Permanent Account Number (PAN)	Income Tax Department, Government of India under Income Tax Act, 1961	AABCH5823J	21.07.2005	Valid until cancelled

2	Tax Deduction and Collection Account Number (TAN)	Income Tax Department, Government of India under Income Tax Act, 1961	MUMH09209E	06.08.2005	Valid until cancelled
3	Goods and Service Tax (GST)	Government of India	27AABCH5823J1ZI	01.07.2017	Valid until cancelled
4	Provident Fund	Employees Provident Fund Organisation	THTHA0098081000	30.03.2015	Valid until cancelled

3) Material approvals in relation to our business operations

SR. NO.	DESCRIPTION	REGISTRAR/ ISSUING AUTHORITY	REGISTRATION NO./REFERENCE NO./LICENSE NO.	DATE OF CREATION	DATE OF EXPIRY
1	Factory License	Government of Maharashtra	10010165	01.01.2022	31.12.2022
2	Shop And Establishments	Bombay Municipal Corporation	820016380/PN WARD/COMMERCIAL-II	20.12.2018	-
3	Ministry Of Commerce & Industry	Government of India	4748/SIA/IMO/2006	28.08.2006	-
4	MSME Certificate	Government of India	UDYAM-MH-18-0000950	11.07.2020	-
5	Export House Certificate	Government of India	0397066511	01.01.2018	31.12.2022
6	Import Export Certificate	Government of India	0397066511	24.11.1997	-
7	Pollution Control	Maharashtra Pollution Control Board	MPCB/16/29/1701001866	23.01.2017	31.10.2024
8	LEI Certificate	Legal Entity Identifier, India	RA000754	10.11.2020	10.11.2025
9	Trade Marks Registry	Government of India	687871	05.06.2006	-
10	Enlistment Of Vendor	ENGINEERS INDIA LTD	4994/PDD/I/RE/H172	25.05.2022	30.04.2024
11	Vendor Approval	Kuwait Oil Company	30431	23.08.2016	05.04.2027
12	Vendor Registration Certificate	TUV Rheinland	01 202 IND/Q-14 2005	28.08.2020	31.08.2023

4) Material Licenses and Approvals for which applications have been filed by our Company

- i. American Petroleum Institute
- ii. Ministry of Defense, Ordinance Department
- iii. Heavy Vehicle Factory, Chennai

5) Material Licenses and Approvals for which applications are yet to be filed by our Company

NIL

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

This Issue of Equity Shares to the Eligible Shareholders is being made in accordance with the:

Resolution passed by our Board of Directors under clause (a) of Sub-Section (1) of Section 62 and other provisions of the Companies Act, at their meeting conducted on August 12, 2022.

The Board of Directors of our Company in their meeting conducted on Saturday, October 15, 2022 approved this Issue inter-alia on the following terms.

ISSUE SIZE	Upto ₹ 3300.00 Lakhs (Rupees Thirty-Three Hundred Lakhs Only);
ISSUE PRICE	₹ 55/- (Rupees Fifty Five) per Rights Equity Share, including a premium of ₹ 45/- (Rupees Forty Five) per Rights Equity Share;
ISSUE ENTITLEMENT RATIO	2 (Two) Rights Equity Shares for every 5 (Five) Equity Shares held by Eligible Shareholders of our Company as on Record Date;
RECORD DATE	Thursday, October 20, 2022

This Draft Letter of Offer has been approved by our Board of Directors pursuant to their resolutions dated September 10, 2022.

Our Company has received in-principle approval from BSE and NSE in accordance with Regulation 28 (1) of SEBI (LODR) Regulations for listing of the Right Shares proposed to be allotted pursuant Issue vide a letter bearing reference 'DCS/RIGHT/KK/FIP/2689/2022-23' dated October 11, 2022 and 'NSE/LIST/32494' dated September 20, 2022. Our Company will also make application to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the ASBA Circular;

Our Company has been allotted the ISIN INE788H20017 for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Shareholders of our Company. Our Company has been allotted the ISIN INE788H20017 both from NSDL and CDSL for the Rights Equity Shares issued pursuant to this Issue. For details, see section titled '**Terms of the Issue**' beginning on page 170.

PROHIBITION BY SEBI OR RBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, the Promoters and the members of Promoter Group, and the Directors of our Company have not been prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling, or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which our directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Company, the Promoters and members of the Promoter Group and the Directors of our Company have not been declared as fugitive economic offenders.

There are no proceedings initiated by SEBI, Stock Exchanges or ROC, etc., against our Company, Directors, Group Companies.

None of our Directors currently holds nor have held directorship(s) in the last 10 (Ten) years in a listed Company whose shares have been or were delisted from trading on any stock exchanges.

Prohibition by RBI:

Our Company, the Promoters and the Directors of our Company have not been identified as willful defaulter or fraudulent borrower by the RBI.

Directors Associated with the Securities Market:

None of our Directors are associated with the securities market in any manner.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018:

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Letter of Offer.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on BSE and NSE. Our Company is eligible to offer and issue Right Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI (ICDR) Regulations.

Our Company is undertaking this Right Issue in compliance with Part B of Schedule VI of the SEBI (ICDR) Regulations. Our Company undertakes to make an application to BSE and NSE for listing of the Right Shares to be issued pursuant to this Issue.

COMPLIANCE WITH REGULATION 61 AND 62 OF THE SEBI (ICDR) REGULATIONS

The present Issue being of less than ₹ 5000.00 Lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI (ICDR) Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI, i.e. www.sebi.gov.in;

Our Company is a listed company and is eligible to make this Rights Issue in terms of Chapter III of SEBI (ICDR) Regulations. Our Company is in compliance with requirements of Regulation 61 and Regulation 62 of the SEBI (ICDR) Regulations to the extent applicable. Further, in relation to compliance Regulation 62 (1) (a) of the SEBI (ICDR) Regulations, our Company undertakes to make an application to BSE and NSE for listing of the Right Shares to be issued pursuant to this Issue;

COMPLIANCE WITH CLAUSE (1) OF PART B OF SCHEDULE VI OF SEBI (ICDR) REGULATIONS

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI (ICDR) Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the Listing Agreement or the SEBI (LODR) Regulations, as applicable for the last one year immediately preceding the date of filing of the Letter of Offer with the Stock Exchange and until date.
2. The reports, statements and information referred to above in clause (1) are available on the website of BSE and NSE.
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders 'Relationship Committee at frequent intervals, appropriate delegation of power by our Board our Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.
4. As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI (ICDR) Regulations, disclosures in this Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI (ICDR) Regulations.

DISCLAIMER CLAUSE OF SEBI

The Letter of Offer has not been filed with SEBI in terms of SEBI (ICDR) Regulations as the size of issue is up to ₹ 5000.00 Lakhs. The issuer shall prepare the Letter of Offer in accordance with requirement as specified in the regulation and file the same with the SEBI for information and dissemination on the SEBI's website.

DISCLAIMER CLAUSES FROM OUR COMPANY AND LEAD MANAGER

Our Company and Lead Manager accept no responsibility for the statements made otherwise than in this Letter of Offer or in any advertisement or other materials issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in this Issue will be deemed to have represented by our Company, Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue. Our Company, the Lead Manager and their directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

CAUTION

Our Company shall make all the relevant information available to the Eligible Shareholders in accordance with the SEBI (ICDR) Regulations and no selective or additional information would be available for a section of the Eligible Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Right Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Letter of Offer is current only as at its date of this Letter of Offer.

DISCLAIMER WITH RESPECT TO JURISDICTION

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

DESIGNATED STOCK EXCHANGE

The Designated Stock Exchange for the purpose of this Issue will be BSE Limited.

DISCLAIMER CLAUSE OF BSE AND NSE

As required, a copy of this Letter of Offer has been submitted to the BSE and NSE. BSE and NSE has given vide its letter dated October 11, 2022 and September 20, 2022, to use its name in this Letter of Offer.

Disclaimer Clause of the BSE

The Disclaimer Clause as shall be intimated by the BSE Limited to us, post-scrutiny of this Letter of Offer, shall be included in the Letter of Offer prior to filing with BSE.

“BSE Limited (“the Exchange”) has given vide its letter dated October 11, 2022, permission to this Company to use the Exchange’s name in this Letter of Offer as the stock exchange on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company,

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so

pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever”.

Disclaimer Clause of NSE

As required, a copy of this Letter of Offer has been submitted to the NSE. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of this Letter of Offer is set out below:

“As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. NSE/LIST/32494 dated September 20, 2022 permission to the Issuer to use the Exchange’s name in this letter of offer as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

FILING

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Letter of Offer will be filed with the Stock Exchanges and not with SEBI. However, the Letter of Offer will be filed with the Stock Exchanges and will be submitted with SEBI for information and dissemination. In light of the SEBI notification dated March 27, 2020, our Company will submit a copy of the Letter of Offer to the e-mail address: cfddil@sebi.gov.in.

The Letter of Offer has not been filed with the SEBI for its observations as the size of the issue less than ₹ 5000.00 Lakhs which does not require issuer to file Letter of Offer with SEBI. The Company has filed Letter of Offer with the BSE and NSE for obtaining in-principle approval.

LISTING

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

CONSENTS

Consents in writing of our Promoter, Directors, Auditors, Banker to the Company, Banker to Issue, Lead Manager and the Registrar to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

EXPERT OPINION

Except for the reports in the section '*Financial Information*' and '*Statement of Tax Benefits*' on page 70 and 47 respectively from the Statutory Auditors, our Company has not obtained any expert opinions.

PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/RIGHTS ISSUE OF OUR COMPANY

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

STOCK MARKET DATA OF THE EQUITY SHARES

Our Equity Shares are listed and traded on BSE and NSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled '*Stock Market Data for Equity Shares*' on page 150.

SELLING RESTRICTIONS

The distribution of this Letter of Offer, Abridged Letter of Offer, Entitlement Letter, Application Form, and the issue of Right Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, or Application Form may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Shareholders and will send/ dispatch the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form only to email addresses of such Eligible Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the issue and sale of the Rights Entitlements and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to e-mail the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form, shall not be sent the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form. Further, the Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the BSE Limited and NSE. Accordingly, our Company, the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, and the Application Form.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of the Draft Letter of Offer, this Letter of Offer, Abridged Letter of Offer, and Application Form or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose.

Accordingly, the Rights Entitlements or Right Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer, this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Right Shares or the purchase of Rights Entitlements.

Accordingly, persons receiving a copy of the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form should not, in connection with the issue of the Rights Entitlements or Right Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company, Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, Abridged Letter of Offer, Entitlement

Letter and/or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Right Shares referred to in this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Right Shares in this Issue must provide an Indian address.

No information in this Letter of Offer should be considered to be business, financial, legal, tax or investment advice.

Any person who makes an application to acquire Rights Entitlement and the Right Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlement and the Right Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company, the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

Neither the delivery of the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form nor any sale or offer hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or date of such information.

THE CONTENTS OF THIS LETTER OF OFFER, THE LETTER OF OFFER AND ABRIDGED LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF BUYING OR SELLING OF RIGHT SHARES OR RIGHTS ENTITLEMENTS. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR, AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX, AND RELATED MATTERS CONCERNING THE OFFER OF RIGHT SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER NOR ANY OF THEIR RESPECTIVE AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHT SHARES OR THE RIGHTS ENTITLEMENTS REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHT SHARES OR THE RIGHTS ENTITLEMENTS BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The rights entitlements and the right shares have not been and will not be registered under the United States securities act, 1933, as amended, or any U.S. State securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof or to, or for the account or benefit of, "U.S. Persons" (as defined in regulation s under the securities act, except in a transaction exempt from the registration requirements of the securities act. The rights entitlements and right shares referred to in this letter of offer are being offered in India and in jurisdictions where such offer and sale of the right shares and/ or rights entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which the Draft Letter of Offer, this Letter of Offer, and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, the Draft Letter of Offer, this letter of offer, the abridged letter of offer, entitlement letter, and application form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Right Shares shall be made from US bank accounts and all persons subscribing for the Right Shares and wishing to hold such Right Shares in registered form must provide an address for registration of the Right Shares in India.

We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which:

- a. Does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Rights Entitlements and the Right Shares in compliance with all applicable laws and regulations;**

- b. Appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States;**
- c. Where a registered Indian address is not provided;**
- d. Where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements;**

And we shall not be bound to allot or issue any Right Shares in respect of any such Application Form. The Rights Entitlements may not be transferred or sold to any person in the United States.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

1. Mechanism for Redressal of Investor Grievances

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number 'CIR/OIAE/2/2011 dated June 3, 2011'. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee comprising of 3 (three), members of the said committee, which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 (Fifteen) days from the date of receipt of the complaint.

The average time taken by the Registrar to the Issue, Bigshare Services Private Limited, for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

2. Investor Grievances arising out of this Issue

Our Company's investor grievances arising out of the Issue will be handled by Bigshare Services Private Limited, who is the Registrar to the Issue. The Registrar to the Issue will have a separate team of personnel handling only post- Issue correspondence.

The agreement between our Company and the Registrar to the Issue will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice to enable the Registrar to redress grievances of Investors.

All grievances relating to this Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, contact details, Email-ID of the first applicant, number and type of Equity Shares applied for, Application Form serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar to the Issue for attending to routine grievances will be seven to ten days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Investors may contact the Company Secretary and Compliance Officer of our Company and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post-Issue related problems such as non-receipt of allotment advice/ demat credit etc.

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Right Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled '**Terms of the Issue**' on page 170.

The contact details of the Registrar to the Issue and the Company Secretary and Compliance Officer of our Company are as follows:

COMPANY SECRETARY AND COMPLIANCE OFFICER	REGISTRAR TO THE ISSUE
<p>Mrs. Richa Shah Address: Unit B 510 Western Edge II Village Nr. W.E. Highway, Magathane, Borivali East, Mumbai, Maharashtra - 400066 Contact Details: +91-9619667638 E-mail: secretarial@hiltonmetal.com Website: www.hiltonmetal.com</p>	<p>Bigshare Services Private Limited Address: Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, Maharashtra, India Tel: 022-62638200/22 E-mail: rightsissue@bigshareonline.com Investor grievance Email: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Vijay Surana SEBI Registration Number: INR000001385</p>

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar at www.bigshareonline.com. Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are (rightsissue@bigshareonline.com or 022- 62638200/22).

SECTION IX – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI (ICDR) Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section.

Investors are requested to note that application in this Issue can only be made through ASBA facility. For guidance on the application process through ASBA and resolution of difficulties faced by investors, you are advised to read the frequently asked question (FAQ) on the website of the Registrar at www.bigshareonline.com.

OVERVIEW

This Issue and the Right Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the BSE and NSE and the terms and conditions as stipulated in the Allotment advice.

IMPORTANT

A. Dispatch and availability of Issue materials

In accordance with the SEBI (ICDR) Regulations, and the ASBA Circular, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material ('Issue Materials') only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them.

Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Investors can access the Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) on the websites of:

1. Our Company's website at www.hiltonmetal.com;
2. Registrar to the Issue's website at www.bigshareonline.com;
3. Lead Manager to the Issue's Website at www.kunvarji.com
4. The Stock Exchanges at www.bseindia.com & www.nseindia.com;

Shareholders who have not received the Application Form may apply, along with the requisite Application Money, by using the Application Form available on the websites above, or on plain paper, with the same details as mentioned in the Application Form available online.

Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue's website at www.bigshareonline.com by entering their DP-ID and Client-ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form), and PAN. The link for the same shall also be available on the website of our Company at www.hiltonmetal.com.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Shareholders who have provided their Indian address through other means, as may be feasible. **Please note that, our Company, the Lead Manager, and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.**

The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with the Stock Exchange. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or redistributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

B. Facilities for Application in this Issue

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI - Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, please refer to the Paragraph titled 'Procedure for Application through the ASBA Process' on page 184.

1. ASBA facility

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, Paragraph titled ***'Procedure for Application through the ASBA Process'*** on page 184.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see "Grounds for Technical Rejection" beginning on page 194 of this Letter of Offer.

Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see ***'Application on Plain Paper under ASBA process'*** on Page No. 187.

2. Credit of Rights Entitlements in demat accounts of Eligible Shareholders

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI - Rights Issue Circular, the credit of Rights Entitlements and Allotment of Right Shares shall be made in dematerialized form only.

Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- a) The demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialised form; and
- b) A demat suspense escrow account (namely, *'Hilton Metal Forging Limited-Unclaimed Rights Entitlement Suspense Account'*) opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:
 - i. Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
 - ii. Equity Shares held in the account of IEPF authority; or
 - iii. The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
 - iv. Credit of the Rights Entitlements returned/ reversed / failed; or
 - v. The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable; or

- vi. Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company; or
- vii. The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.
- viii. Eligible Equity Shareholders who have not provided their Indian addresses.

Eligible Shareholders whose Rights Entitlements are credited in demat suspense escrow account opened by our Company as on Record Date are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar to the Issue not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by Monday, November 7, 2022, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Shareholders in this regard. Such Eligible Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar to the Issue, to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e. www.bigshareonline.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with the SEBI Rights Issue Circulars, the Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. Monday, November 7, 2022 shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e. www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.hiltonmetal.com)

3. Application by Eligible Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to our Company or Registrar at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to our Company or Registrar at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Shares may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

- a) The Eligible Equity Shareholders are residents;
- b) The Eligible Equity Shareholders are not making payment from non-resident account;
- c) The Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
- d) The Eligible Equity Shareholders shall receive Rights Shares, in respect of their Application, only in demat mode.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Accordingly, such resident Eligible Equity Shareholders are required to send a communication to our Company containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self- attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail, or hand delivery, to enable process of credit of Rights Shares in such demat account.

4. Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in '**Basis of Allotment**' beginning on page 197.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an application has to be made for subscribing to the Rights Equity Shares. If no such application is made by the renounee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled '**Procedure for Application through the ASBA process**' on pages 184.

OTHER IMPORTANT LINKS AND HELPLINE

The Investors can visit following links for the below-mentioned purposes:

1. Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.bigshareonline.com ;
2. Updating of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar to the Issue or our Company: [www.bigshareonline.com/rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com);
3. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: rightsissue@bigshareonline.com;
4. Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders www.bigshareonline.com;

RENOUNCEES

All rights and obligations of the Eligible Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution of Board of Directors of our Company passed at their meeting held on August 12, 2022, in accordance with the provisions of Section 62(1)(a) of the Companies Act.

The Board of Directors in their meeting held on Saturday, October 15, 2022, have determined the Issue Price at ₹ 55/- per Equity Share and the Rights Entitlement as 2 (Two) Right Equity Share(s) for every 5 (Five) Equity Shares held on the Record Date.

The Issue Price has been arrived at in consultation with the Lead Manager.

BASIS FOR THIS ISSUE

The Right Shares are being offered for subscription for cash to the Eligible Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members at the close of business hours on the Record Date.

RIGHTS ENTITLEMENTS

Eligible Shareholders whose names appear as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlements or Rights Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Shareholders can also obtain the details of their respective Rights Entitlements from the Registrar to the Issue's website at www.bigshareonline.com by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on our Company's website at, www.hiltonmetal.com.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., www.bigshareonline.com). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Shareholders and will send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form only to email addresses of Eligible Shareholders who have provided their Indian address to our Company or who are located in jurisdictions where this Issue and sale of the Rights Entitlements or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company and the Lead Manager to the Eligible Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions and in each case who make a request in this regard.

The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company, and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) and on the BSE and NSE's website. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Right Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer filed with BSE and NSE and the Letter of Offer to be filed with SEBI and Stock Exchanges. Accordingly, the Rights Entitlements and Right Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make

such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form should not, in connection with the issue of the Right Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Forms received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Right Shares under the laws of any jurisdiction which apply to such person.

PRINCIPAL TERMS OF THIS ISSUE

1. Face Value

Each Right Shares will be having face value of ₹ 10 /- (Rupee Ten Only).

2. Issue Price

Each Rights Share is being offered at a price of ₹ 55/- (Rupees Fifty Five Only) per Rights Share (including a premium of ₹ 45/- (Rupees Forty Five Only) per Rights Share in this Issue.

The Issue Price for Right Shares has been arrived at by our Company in consultation with the Lead Manager and has been decided prior to the determination of the Record Date i.e. Thursday, October 20, 2022.

3. Rights Entitlements Ratio

The Right Shares are being offered on a rights basis to the Eligible Shareholders in the ratio of 2 (Two) Rights Equity Share(s) for every 5 (Five) Equity Share(s) held by the Eligible Shareholders as on the Record Date i.e. Thursday, October 20, 2022.

4. Mode of Payment of Dividend

In the event of declaration of dividend, our Company shall pay dividend to the shareholders of our Company as per the provisions of the Companies Act and the provisions of the Articles of Association.

5. Terms of Payment

Amount Payable Per Right Equity Share	Face Value	Premium	Amount
On Application	₹ 10/-	₹ 45/-	₹ 55/-

Each Rights Share is being offered at a price of ₹ 55/- per Rights Share (including a premium of ₹ 45/- per Rights Share), for every 1 (One) Rights Share allotted in this Issue.

Where an Applicant has applied for additional Right Shares and is allotted a lesser number of Right Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI (ICDR) Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

6. Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the BSE and NSE or through an off-market transfer. For details, see '**Procedure for Renunciation of Rights Entitlements**' on page 185.

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, and SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 the Eligible Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

7. Process of Credit of Rights Entitlements in dematerialized account

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Issue Circulars, the credit of Rights Entitlements and Allotment of Right Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- a. The demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialized form; and
- b. A demat suspense escrow account (namely, '*Hilton Metal Forging Limited-Unclaimed Rights Entitlement Suspense Account*') opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:
 - i. Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
 - ii. Equity Shares held in the account of IEPF authority; or
 - iii. The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
 - iv. Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar;
 - v. Credit of the Rights Entitlements returned/ reversed / failed; or
 - vi. The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE788H20017. The said ISIN shall remain frozen (for debit) till the Issue Opening Date and shall become active on the Issue Opening Date and remain active for renunciation or transfer during the Renunciation Period. It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Shareholders whose Rights Entitlement are credited in demat suspense account, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., Monday, November 7, 2022, by to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date i.e. Wednesday, November 9, 2022, to enable such Eligible Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Shareholders in this regard. Such Eligible Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Shareholders and the demat suspense escrow account to the BSE and NSE after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e. www.bigshareonline.com). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, PLEASE REFER TO THE PARAGRAPH TITLED '*Procedure for Application through the ASBA Process*' ON PAGE 184.

8. Fractional Entitlements

The Right Shares are being offered on a rights basis to existing Eligible Shareholders in the ratio of 2 (Two) Right Shares for every 5 (Five) Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Shareholders is less than 5 (Five) Equity Shares or is not in the multiple of 5 (Five) Equity Shares, the fractional entitlements of such Eligible Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Security if they apply for additional Right Shares over and above their Rights Entitlements, if any, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Shareholders holding less than 5 (Five) Equity Shares shall have 'zero' entitlement for the Right Shares. Such Eligible Shareholders are entitled to apply for additional Right Shares and will be given preference in the Allotment of one Right Shares, if such Eligible Shareholders apply for additional Right Shares, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

9. Ranking of Equity Shares

The Right Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice.

The Right Shares being issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Right Shares shall rank pari-passu, in all respects including dividend, with our existing Equity Shares.

The voting rights in a poll, whether present in person or by representative or by proxy shall be in proportion to the paid-up value of the Shares held, and no voting rights shall be exercisable in respect of moneys paid in advance, if any.

10. Trading of the Rights Entitlements

In accordance with the ASBA Circulars and SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under ISIN INE788H20017. Prior to the Issue Opening Date, our Company will obtain the approval from the BSE and NSE for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Thursday, November 03, 2022 to Friday, November 04, 2022 (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. For details, see '*Procedure for Renunciation of Rights Entitlements – On Market Renunciation*' and '*Procedure for Renunciation of Rights Entitlements – Off Market Renunciation*' on page 185 respectively.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

11. Listing and trading of the Right Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Right Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI (ICDR) Regulations, the Right Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary procedures for listing and commencement of trading in the Right Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the BSE and NSE through letter bearing reference number DCS/RIGHT/KK/FIP/2689/2022-23 dated October 11, 2022 and NSE/LIST/32494 dated September 20, 2022. Our Company will apply to the BSE and NSE for final approvals for the listing and trading of the Right Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Right Shares or the price at which the Right Shares offered under this Issue will trade after the listing thereof.

The Right Shares shall be listed and admitted for trading on the BSE and NSE under separate ISINs for Right Shares. The procedures for listing and trading of Right Shares shall be completed within 7 (Seven) Working Days from the date of finalization of the Basis of Allotment.

The process of corporate action for crediting the fully paid-up Right Shares to the Investors' demat accounts, may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount.

The existing Equity Shares are listed and traded on BSE and NSE bearing Scrip Code '**532847**' and '**HILTON**' respectively under ISIN **INE788H01017**. The Rights Shares shall be credited to temporary ISINs which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Right Shares shall be debited from such temporary ISINs and credited to the existing ISIN as fully paid-up Equity share of our company.

The listing and trading of the Right Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the BSE and NSE, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within 4 (Four) days of receipt of intimation from the BSE and NSE, rejecting the application for listing of the Right Shares, and if any such money is not refunded/ unblocked within 4 (Four) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer -in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

12.Subscription to this Issue by our Promoter and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see the paragraph titled '*Intention and extent of participation by our Promoter and Promoter Group*' under the section titled '*Capital Structure*' on page 42.

13.Rights of holders of Right Shares of our Company

Subject to applicable laws, holders of the Right Shares shall have the following rights:

- a. The Right Shares shall rank *pari-passu* with the existing Equity Shares in all respects;
- b. The right to receive dividend, if declared;
- c. The right to vote in person, or by proxy, except in case of Right Shares credited to the demat suspense account for resident Eligible Shareholders;
- d. The right to receive surplus on liquidation;
- e. The right to free transferability of Right Shares;
- f. The right to attend general meetings of our Company and exercise voting powers in accordance with law; and
- g. Such other rights as may be available to a shareholder of a listed public Company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Right Shares shall be entitled to the above rights in proportion to amount paid-up on such Right Shares in this Issue.

GENERAL TERMS OF THE ISSUE

1. Market Lot

The Right Shares of our Company shall be tradable only in dematerialized form. The market lot for the Right Shares in dematerialized mode is 1 (One) Equity Share.

2. Minimum Subscription

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws.

3. Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Right Shares offered in this Issue.

4. Nomination

Nomination facility is available in respect of the Right Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Right Shares to

be allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialized form and desirous of changing the existing nomination is requested to inform its Depository Participant.

5. Arrangements for Disposal of Odd Lots

The Right Shares are traded in dematerialized form only and therefore the marketable lot is 1 (One) Equity Share and hence no arrangements for disposal of odd lots are required.

6. Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI (LODR) Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

7. Notices

In accordance with the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material only to the Eligible Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

The Letter of Offer will be provided by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their email address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Marathi language daily newspaper with wide circulation (Marathi being the regional language of Mumbai where our Registered Office is situated).

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their website.

OFFER TO NON-RESIDENT ELIGIBLE SHAREHOLDERS/INVESTORS

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue Right Shares to non-resident shareholders including additional Right Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things:

1. Subscribe for additional Equity Shares over and above their Rights Entitlements;
2. Renounce the Right Shares offered to them either in full or in part thereof in favour of a person named by them;
or
3. Apply for the Equity Shares renounced in their favour.

Applications received from NRIs and non-residents for allotment of Right Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Right Shares and issue of Rights Entitlements Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on www.bigshareonline.com or physically/postal means at the address of the Registrar mentioned on the cover page of this Letter of Offer. It will be the sole responsibility of the investors to

ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the e-mail address of non-resident Eligible Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager, the Stock Exchanges. The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Right Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Right Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please also note that pursuant to Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies (hereinafter referred to as 'OCBs') have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The non-resident Eligible Shareholders can update their Indian address in the records maintained by the Registrar through email at www.bigshareonline.com and our Company through email at www.hiltonmetal.com by submitting their respective copies of self-attested proof of address, passport, etc.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, i.e. Thursday, October 20, 2022, see '*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*' on page 190.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Right Shares offered as part of this Issue would be sent to the Eligible Shareholders only to:

- a. E-mail addresses of resident Eligible Shareholders who have provided their e-mail addresses;
- b. Indian addresses of the resident Eligible Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Shareholders have not provided the valid email address to our Company;
- c. Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and
- d. E-mail addresses of foreign corporate or institutional shareholders.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email or physical delivery, as applicable, at least 3 (Three) days before the Issue Opening Date.

In case of non-resident Eligible Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through e-mail address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Shareholders should visit www.bigshareonline.com. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) from the websites of:

1. Our Company's website at www.hiltonmetal.com;
2. Registrar to the Issue's website at www.bigshareonline.com;
3. Lead Manager to the Issue's Website at www.kunvarji.com;
4. BSE Limited's website at www.bseindia.com;
5. NSE Website at www.nseindia.com;

The Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.bigshareonline.com by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on the website of our Company at www.hiltonmetal.com.

The Application Form can be used by the Eligible Shareholders as well as the Renounees, to make Applications in this Issue on the basis of the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Shareholders applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Right Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Right Shares by Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see 'Grounds for Technical Rejection' on page 194. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making an Application that is available on the website of the Registrar, BSE and NSE, and Lead Manager or on a plain paper with the same details as per the Application Form available online. Please note that Eligible Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see '*Application on Plain Paper under ASBA process*' on page 187.

OPTIONS AVAILABLE TO THE ELIGIBLE SHAREHOLDERS

The Rights Entitlement Letter will clearly indicate the number of Right Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

1. Apply for its Right Shares to the full extent of its Rights Entitlements; or
2. Apply for its Right Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
3. Apply for Right Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
4. Apply for its Right Shares to the full extent of its Rights Entitlements and apply for additional Right Shares; or
5. Renounce its Rights Entitlements in full.

PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number 'CIR/CFD/DIL/13/2012' dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

ACCEPTANCE OF THIS ISSUE

Investors may accept this Issue and apply for the Right Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE and NSE, and

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section '*Application on Plain Paper under ASBA processes*' on page 187.

ADDITIONAL RIGHT SHARES

Investors are eligible to apply for additional Right Shares over and above their Rights Entitlements, provided that they are eligible to apply for Right Shares under applicable law and they have applied for all the Right Shares forming part of their Rights Entitlements without renouncing them in whole or in part. The Rights Entitlements comprise of 1 Rights Shares. Where the number of additional Right Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Right Shares shall be considered and Allotment shall be made in accordance with the SEBI (ICDR) Regulations and in the manner prescribed under the section '*Basis of Allotment*' on page 197.

Eligible Shareholders who renounce their Rights Entitlements cannot apply for additional Right Shares.

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Shares while submitting the Application through ASBA process.

PROCEDURE FOR RENUNCIATION OF RIGHTS ENTITLEMENTS

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the BSE and NSE; or (b) through an off -market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Right Shares. The Investors should

have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

THE LEAD MANAGER AND OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES, AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS.

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

1. On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the BSE and NSE through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Shareholders shall be admitted for trading on the BSE and NSE under the ISIN that shall be allotted for the Rights Entitlement subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the BSE and NSE from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Thursday, November 03, 2022 to Friday, November 04, 2022 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN INE788H20017 (for Rights Entitlement) that shall be allotted for the Rights Entitlement and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement bases, where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the BSE, NSE and the SEBI.

2. Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialized form only.

Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN (for Rights Entitlement) that shall be allotted for the Rights Entitlement, the details of the buyer and the details of the Rights

Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

APPLICATION ON PLAIN PAPER UNDER ASBA PROCESS

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB.

Applications on plain paper will not be accepted from any address outside India

Applications on plain paper will not be accepted from any address outside India. Please note that the Eligible Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

APPLICATION ON PLAIN PAPER

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- i. Name of our Company, being ***'Hilton Metal Forging Limited'***;
- ii. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- iii. Registered Folio No./DP and Client ID No.;
- iv. Number of Equity Shares held as on Record Date;
- v. Allotment option – only dematerialized form;
- vi. Number of Right Shares entitled to;
- vii. Total number of Right Shares applied for;
- viii. Number of additional Right Shares applied for, if any;
- ix. Total number of Right Shares applied for;
- x. Total amount paid at the rate of ₹ 55/- for Right Shares issued in one Rights Entitlement;
- xi. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- xii. In case of non-resident Eligible Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the FEMA Rules.
- xiii. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Right Shares applied for pursuant to this Issue;

- xiv. Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- xv. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- xvi. In addition, all such Eligible Shareholders are deemed to have accepted the following:

"I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States") except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar, the Lead Manager, or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction. I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act (hereinafter referred to as 'Regulation S'), or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements." In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.bigshareonline.com.

I/ We acknowledge that Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date."

MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility.

The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account, details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. After the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Instructions issued in this regard by the Registrar to the respective SCSB.

1. Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

2. Mode of payment for non-resident Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

- a. Individual non-resident Indian Applicants who are permitted to subscribe to Right Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company and the Lead Manager;

Note: In case of non-resident Eligible Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to (i) the Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders.

The Letter of Offer will be provided by the Registrar on behalf of our Company or the Lead Manager to the Eligible Shareholders at (i) the Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders, in each case who make a request in this regard.

- b. Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Right Shares may be restricted by applicable securities laws;
- c. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI;

Notes

- i. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Right Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act;
- ii. In case Right Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Right Shares cannot be remitted outside India;

- iii. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals;
- iv. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Right Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment;
- v. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account;
- vi. Non-resident Renounces who are not Eligible Shareholders must submit regulatory approval for applying for additional Right Shares;

APPLICATION BY ELIGIBLE SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Please note that in accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.hiltonmetal.com or www.bigshareonline.com.

PROCEDURE FOR APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than 2 (Two) Working Days prior to the Issue Closing Date;
- b. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least 1 (One) day before the Issue Closing Date;
- c. The Eligible Equity Shareholders can access the Application Form from:
 - 1. Our Company's website at www.hiltonmetal.com;
 - 2. Registrar to the Issue's website at www.bigshareonline.com;
 - 3. Lead Manager to the Issue's Website at www.kunvarji.com;
 - 4. BSE Limited's website at www.bseindia.com;
 - 5. NSE Website at www.nseindia.com;

The Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.bigshareonline.com by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on the website of our Company at, www.hiltonmetal.com.

- d. The Eligible Equity Shareholders shall, on or before the Issue Closing Date, submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

ALLOTMENT OF THE RIGHT SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHT SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE 'ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS' ON PAGE 197.

GENERAL INSTRUCTIONS FOR INVESTORS

1. Please read this Letter of Offer carefully to understand the Application process and applicable settlement process;
2. Please read the instructions on the Application Form sent to you;
3. The Application Form can be used by both the Eligible Shareholders and the Renounees;
4. Application should be made only through the ASBA facility.
5. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English;
6. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section 'Application on Plain Paper under ASBA processes on page 187;
7. In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA;
8. An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
9. Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE and NSE;
10. Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager;
11. In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form;

12. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Right Shares pursuant to this Issue shall be made into the accounts of such Investors. Further, in case of Application in joint names, each of the joint Applicants should sign the Application Form;
13. In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon;
14. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB;
15. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant;
16. All communication in connection with Application for the Right Shares, including any change in address of the Eligible Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable; In case of any change in address of the Eligible Shareholders, the Eligible Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar;
17. Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number ‘CIR/CFD/DIL/13/2012 dated September 25, 2012’ within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility;
18. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications;
19. Investors are required to ensure that the number of Right Shares applied for by them do not exceed the prescribed limits under the applicable law;
20. An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue;

Do’s:

1. Ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number;
2. Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act;

3. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“Demographic Details”) are updated, true and correct, in all respects;
4. Investors should provide correct DP-ID and client-ID/ folio number while submitting the Application. Such DP-ID and Client-ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

1. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction;
2. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
3. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application;
4. Do not pay the Application Money in cash, by money order, pay order or postal order;
5. Do not submit multiple Applications.

Do's for Investors applying through ASBA:

1. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Right Shares will be Allotted in the dematerialized form only;
2. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application;
3. Ensure that there are sufficient funds (equal to {number of Right Shares (including additional Right Shares) applied for} X {Application Money of Right Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB;
4. Ensure that you have authorized the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same;
5. Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location;
6. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form on a plain paper Application;
7. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter;

Don'ts for Investors applying through ASBA:

1. Do not apply if you are not eligible to participate in this Issue under the securities laws applicable to your jurisdiction;
2. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa;

3. Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only;
4. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process;

GROUNDS FOR TECHNICAL REJECTION

Applications made in this Issue are liable to be rejected on the following grounds:

1. DP-ID and Client-ID mentioned in Application not matching with the DP-ID and Client ID records available with the Registrar;
2. Sending an Application to the Lead Manager, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company;
3. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money;
4. Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders;
5. Account holder not signing the Application or declaration mentioned therein;
6. Submission of more than one Application Forms for Rights Entitlements available in a particular demat account;
7. Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application;
8. Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts);
9. Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories;
10. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB;
11. Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer;
12. Physical Application Forms not duly signed by the sole or joint Investors;
13. Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, and money order, postal order or outstation demand drafts;
14. If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements;
15. Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or other jurisdictions where the offer and sale of the Right Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) outside India and the United States and is a foreign corporate or institutional shareholder eligible to subscribe for the Rights Share under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Right Shares in respect of any such Application Form;

16. Applications which have evidence of being executed or made in contravention of applicable securities laws;
17. Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar;
18. Applications by a non-resident without the approval from RBI with respect to Rule 7 of the FEMA Rules;

DEPOSITORY ACCOUNT AND BANK DETAILS FOR INVESTORS HOLDING SHARES IN DEMAT ACCOUNTS AND APPLYING IN THIS ISSUE.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHT SHARES DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP-ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Right Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

MULTIPLE APPLICATIONS

In case where multiple Applications are made in respect the Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However supplementary applications in relation to further Right Shares with/without using additional Rights Entitlements will not be treated as multiple application. Similarly, a separate Application can be made against Equity Shares held in dematerialised form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see '*Procedure for Applications by Mutual Funds*' below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements shall be treated as multiple applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected.

LAST DATE FOR APPLICATION

The last date for submission of the duly filled in the Application Form or a plain paper Application is November 11, 2022, i.e., Issue Closing Date. The Board of Directors may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the BSE, NSE and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by the Board of Directors, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and the Board of Directors shall be at liberty to dispose of the Right Shares hereby offered, as provided under the section, '**Basis of Allotment**' on page 197.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE and NSE,.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

WITHDRAWAL OF APPLICATION

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

ISSUE SCHEDULE

Last date for Credit of Rights Entitlements	Monday, October 31, 2022
Issue Opening Date	Thursday, November 03, 2022
Last Date for On Market Renunciation*	Friday, November 04, 2022
Issue Closing Date	Friday, November 11, 2022
Finalization of Basis of Allotment (on or about)	Friday, November 18, 2022
Date of Allotment (on or about)	Monday, November 21, 2022
Date of Credit (on or about)	Friday, November 25, 2022
Date of Listing (on or about)	Wednesday, November 30, 2022

**Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.*

Note: The above timetable is indicative in nature and does not constitute any obligation on the Company or the Lead Manager. While our Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on platforms of BSE and NSE are taken within the prescribed timelines, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from the BSE and NSE. The Commencement of the trading of Equity shares will be entirely at the discretion of BSE and NSE in accordance with the applicable laws.

Our Board of Directors may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date).

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing

Date, i.e., November 7, 2022, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date.

BASIS OF ALLOTMENT

Subject to the provisions contained in Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Right Shares in the following order of priority:

1. Full Allotment to those Eligible Shareholders who have applied for their Rights Entitlements of Right Shares either in full or in part and also to the Renouncee(s) who has or have applied for Right Shares renounced in their favour, in full or in part.
2. Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Share each if they apply for additional Right Shares. Allotment under this head shall be considered if there are any unsubscribed Right Shares after allotment under (a) above. If number of Right Shares required for Allotment under this head are more than the number of Right Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
3. Allotment to the Eligible Shareholders who having applied for all the Right Shares offered to them as part of this Issue, have also applied for additional Right Shares. The Allotment of such additional Right Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Right Shares after making full Allotment in (1) and (2) above. The Allotment of such Right Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
4. Allotment to Renouncees who having applied for all the Right Shares renounced in their favour, have applied for additional Right Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Right Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
5. Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Right Shares in this Issue, along with:

- a. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
- b. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- c. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. Our Company will e-mail Allotment advice, refund intimations or demat credit of Right Shares and/or letters of regret, along with crediting the Allotted Right Shares to the respective beneficiary accounts (only in dematerialized mode) or in a demat suspense account or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 (Four) days from the Issue Closing Date. In case of failure to do so, our Company and the Directors who are "officers in default" shall pay interest at 15% (Fifteen Percent) p.a. and such other rate as specified under applicable law from the expiry of such 4 (Four) days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI (ICDR) Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

1. Unblocking amounts blocked using ASBA facility.
2. **National Automated Clearing House (hereinafter referred to as "NACH")** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
3. **National Electronic Fund Transfer (hereinafter referred to as "NEFT")** – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (hereinafter referred to as 'IFSC Code'), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
4. **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
5. **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
6. For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
7. Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

ALLOTMENT ADVICE OR DEMAT CREDIT OF SHARES

The demat credit of Shares to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

RECEIPT OF THE RIGHT SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHT SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO

1. THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR
2. THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR
3. DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE SHAREHOLDERS/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/ REVERSED/FAILED.

INVESTORS SHALL BE ALLOTTED THE RIGHT SHARES IN DEMATERIALIZED (ELECTRONIC) FORM.

INVESTORS MAY PLEASE NOTE THAT THE RIGHT SHARES CAN BE TRADED ON THE BSE AND NSE ONLY IN DEMATERIALIZED FORM

The procedure for availing the facility for Allotment of Right Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Right Shares and the Application Form will be rejected.
5. The Right Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Shareholders with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Right Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Right Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

PROCEDURE FOR APPLICATION BY CERTAIN CATEGORIES OF INVESTORS

1. Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post -Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against Shares held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre - approved by the FPI.

2. Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

3. Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian Company on repatriation basis, on a recognized stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid - up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian Company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issuance of the Right Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

4. Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

5. Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net-worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

IMPERSONATION

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its Shares; or makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its Shares; or otherwise induces directly or indirectly a Company to allot, or register any transfer of, Shares to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

In case the fraud involves (i) an amount which is less than ₹10 lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakhs or with both.

PAYMENT BY STOCKINVEST

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Rights Issue.

DISPOSAL OF APPLICATION AND APPLICATION MONEY

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board of Directors of the Company reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case of failure to do so, our Company and the Directors who are “officers in default” shall pay interest at the prescribed rate. In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Right Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of the issue shall be attended to by our Company expeditiously and satisfactorily;
2. All steps for completion of the necessary formalities for listing and commencement of trading at BSE and NSE, where the Right Shares are to be listed are taken within the time limit specified by the SEBI;
3. The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company;
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 (Fifteen) days of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. Where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants;
6. Adequate arrangements shall be made to collect all ASBA applications.

UTILIZATION OF ISSUE PROCEEDS

Our Board declares that:

1. All monies received out of issue of this Right Equity Issue to the public shall be transferred to a separate bank account.
2. Details of all monies utilized out of this Right Issue referred to in clause (A) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and
3. Details of all unutilized monies out of this Right Issue referred to in clause (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

IMPORTANT

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed, otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the

Application Form and super scribed **HILTON METAL FORGING LIMITED – RIGHT ISSUE'** on the envelope and postmarked in India or in the email) to the Registrar at the following address:

BIGSHARE SERVICES PRIVATE LIMITED

Office S6-2, 6th floor Pinnacle Business Park
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai – 400093

Tel No.: +91 22 6263 8200

Fax No.: +91 22 6263 8299

Email: rightsissue@bigshareonline.com

Website: www.bigshareonline.com

Investor Grievance Email: investor@bigshareonline.com

Contact Person: Mr. Vijay Surana

SEBI Registration No.: INR000001385

Validity of Registration: Permanent

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.bigshareonline.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 022 - 62638200/22.
4. This Issue will remain open for a minimum 7 (Seven) days. However, the Board of Directors will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the 'automatic route', where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the "government route", where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise way such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (**'FDI Circular 2020'**), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that:

1. The activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI (SAST) Regulations;
2. The non- resident shareholding is within the sectoral limits under the FDI Policy; and
3. The pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid to make any investment in the Issue.

The Lead Manager to the Issue and our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval

under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager to the Issue are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION X – OTHER INFORMATION

Please note that the Right Shares applied for under this Issue can be allotted only in dematerialised form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder, or (c) demat suspense account where the credit of the Rights Entitlements returned/ reversed /failed.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than 2 (Two) years prior to the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 A.M. and 5 P.M. on all working days from the date of filing of the Letter of Offer until the Issue Closing Date. The copies of these contracts and also the documents for inspection referred to hereunder, would be available on the website of the Company at www.hiltonmetal.com from the date of this Letter of Offer until the Issue Closing Date.

MATERIAL CONTRACTS FOR THE ISSUE

1. Issue Agreement dated September 10, 2022 between our Company and the Lead Manager.
2. Registrar Agreement dated September 09, 2022.
3. Bankers to the Issue Agreement dated September 07, 2022 amongst our Company and the Registrar to the Issue and the Escrow Collection Bank(s).
4. Tripartite Agreement between our Company, National Securities Depository Ltd. (NSDL) and Registrar to the Issue;
5. Tripartite Agreement between our Company, Central Depository Services (India) Limited (CDSL) and Registrar to the Issue;

MATERIAL DOCUMENTS IN RELATION TO THE ISSUE

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company;
2. Certificate of Incorporation of our Company;
3. Copies of Audited Financial Statement and the Annual Report of our Company for the last 3 (Three) Financial Years for the Financial Year ending March 31, 2022, March 31, 2021 and March 31, 2020 and Reviewed / Unaudited Financial Information for the period from April 1, 2022 to June 30, 2022;
4. Resolution of our Board of Directors dated August 12, 2022 approving the Rights Issue;
5. Resolution of our Board of Directors dated October 15, 2022, finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio;
6. Resolution of our Board dated September 10, 2022, approving the Draft Letter of Offer;
7. Resolution of our Board of Directors dated October 19, 2022 approving the Letter of Offer;
8. Consents of our Directors, Lead Manager, Bankers to our Company, Bankers to the Issue, and the Registrar to the Issue for inclusion of their names in the Letter of Offer to act in their respective capacities;
9. Report on Statement of Special Tax Benefits dated September 10, 2022 for our Company from the Statutory Auditors of our Company;

10. In-principle approval issued by BSE and NSE Limited dated October 11, 2022 and September 20, 2022;

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Eligible Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

<p>Sd/-</p> <p>_____</p> <p>Mr. YUVRAJ HIRALAL MALHOTRA Chairman & Managing Director</p>	<p>Sd/-</p> <p>_____</p> <p>Mr. SANJAY JAIN Independent Director</p>
<p>Sd/-</p> <p>_____</p> <p>SUKESH KUMAR JOSHI Independent Director</p>	<p>Sd/-</p> <p>_____</p> <p>SANDEEP RAVINDRA SHAH Independent Director</p>
<p>Sd/-</p> <p>_____</p> <p>Mr. PRITHIVISH SUSHIL MUNDRA Independent Director</p>	<p>Sd/-</p> <p>_____</p> <p>NIKITA NATWARLAL MORADIA Independent Director</p>
<p>Sd/-</p> <p>_____</p> <p>MR. SIDDHARTH JAIN Chief Finance Officer</p>	

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY

Sd/-

Mrs. Richa Shah
Company Secretary & Compliance Officer

Place: Mumbai

Date: October 19, 2022