

INDEPENDENT AUDITOR'S REPORT

To the Members of
Hilton Metal Forgings Limited

1. Report on Financial Statements:

We have audited the accompanying financial statements of **HILTON METAL FORGINGS LIMITED** as at March 31, 2017 which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit & Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

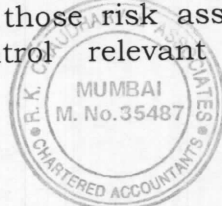
2. Managements Responsibility for the Financial Statements:

Management and Board of Directors of the Company are responsible for the matters stated in section 134(5) of the Companies Act 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the company in accordance with the accounting principles generally accepted in India including Accounting Standards specified under section 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentations of the financial statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provision of the Companies Act, 2013, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the act and rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements whether due to fraud or error. In making those risk assessment, the auditor considers internal financial control relevant to the Company's



preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by company management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

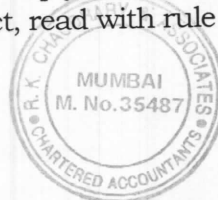
4. Opinion:

In our opinion and to the best of our information and according to the explanations gives 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.

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. 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 Companies Act, 2013 (the 'Act') we give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2. As required by Section 143(3) of the Act, we 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 accounts 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules 2014;



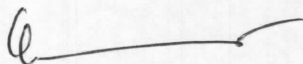
- e) On the basis of written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditors Report in accordance with rule 11 of the Companies (Audit & Auditors) Rules, 2014.
- i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long term contracts including derivative contracts, as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii) The company has transferred unclaimed dividend portion Rs 1,33,921/- of the year 2008-2009 to the Investor Education and Protection Fund in time, hence, the question of reporting delay in transferring such sums does not arise.

**For R. K. CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.133512W**

PLACE: MUMBAI

DATE: 26-05-2017




**(R. K. CHAUDHARY)
PROPRIETOR
M.NO.035487**

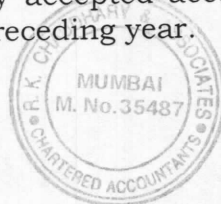
R. K. CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS

HILTON METAL FORGINGS LIMITED

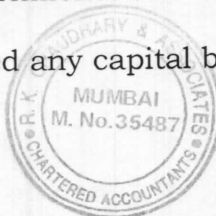
ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT

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

1. (a) The Company has maintained proper records showing particulars, including quantitative details and situation of its fixed assets;
- (b) As explained to us all the fixed assets, according to the practice of the Company are physically verified by the Management at reasonable intervals, in a phased verification-program, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification
- (c) The Company has not disposed off any substantial part of its Fixed Assets so as to affect its going concern;
- (d) The Title Deeds of immovable properties are held in the name of the company.
- (e) None of the Fixed Assets of the Company have been re-valued during the year.
2. As explained to us physical verification of inventory has been conducted by the Management at reasonable intervals. No material discrepancies were noticed on such verification
3. The procedure as explained to us, which are adopted and followed by the Management for physical verification of the above referred inventory, are in our opinion, are reasonable and adequate in relation to the size of the company and the nature of its business.
4. On the basis of our examination of the inventory records of the Company, we are of the opinion that the company is maintaining records of its inventory. No discrepancies were noticed upon physical verification of inventories as compared to the book records.
5. We are of the opinion that the valuation of Stocks is fair & proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.



6. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business with regards to the purchase of Raw Material, including components, Stores and Fixed Assets and for sale of goods. During the course of our Audit, we have not observed any major weakness in the internal control.
7. According to the information and explanations given to us, the Company has not granted / taken any secured or unsecured loans from companies, firms, Limited Liability Partnerships and other parties listed in the register maintained under Section 189 of the Companies Act, 2013.
8. The Company has not accepted any deposits from the public during the year.
9. As informed to us, the Central Government has prescribed maintenance of cost record under sub section (1) of section 148 of the Act in respect of the companies products and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained to the extent applicable.
10. a) According to the information and explanations given to us and based on the records of the company examined by us, the Company is regular in depositing the undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax and other material statutory dues, as applicable, with the appropriate authorities in India
b) According to the information and explanations given to us and based on the records of the company examined by us, there are no undisputed dues of Income Tax, Sales Tax, Wealth Tax, Service Tax.
c) The company has transferred unclaimed dividend portion Rs 1,33,921/- of the year 2008-2009 to the investor education and protection fund in time, hence the question of reporting delay in transferring such sums does not arise.
11. According to the records of the Company examined by us and as per the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings from Financial Institution, Bank and Governments etc.
12. The Company has not raised any capital by way of public offer.



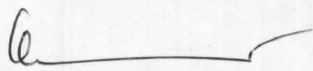
13. We have not noticed any fraud committed by the company or its officers or employees during the year.
14. The Managerial Remuneration paid is in accordance with the requisite approval mandated by the provision of section 197 read with schedule V of the Companies Act.
15. The Company is not a Nidhi Company.
16. There are no transactions with the related parties as such provision of section 177 and 188 of Companies Act 2013 are not applicable.
17. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
18. The company has not entered into any non cash transaction with Directors or Persons connected with them.
19. The Company neither has accumulated losses at the end of the financial year nor has incurred cash losses, both, in the financial year under report and the immediately preceding financial year.
20. The company is not a Non-Banking Finance Company (NBFC) as such provision of section 45-IA of the Reserve Bank of India Act 1934 is not applicable.

**For R. K. CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.133512W**

PLACE: MUMBAI

DATE: 26-05-2017




**(R. K. CHAUDHARY)
PROPRIETOR
M.NO. 035487**

R. K. CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Hilton Metal Forging Limited as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

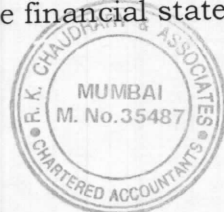
Management's Responsibility for Internal Financial Controls

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 ('ICAI'). 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 Companies Act, 2013.

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 Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with 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 auditor's 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 over financial reporting.

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 control 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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.

For R. K. CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.133512W

PLACE: MUMBAI

DATE: 26-05-2017




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