

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of HITTCO TOOLS LIMITED will be held at 11.00 A.M on Tuesday, the 7th September 2010 at "SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore – 560 001, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2010 and Profit and Loss Account for the year ended on that date along with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K Raghavendra Rao who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Joseph Mathai who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.

RESOLVED THAT Sudhakar Hegde & Co. Chartered Accountants, be and are hereby appointed Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting.

RESOLVED FURTHER THAT the remuneration payable together with the out-of-pocket expenses, if any shall be mutually agreed upon between the Board of Directors and the Auditors.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Rajib Ghosh Roy who was appointed as an additional Director of the Company by the Board under Section 260 of the Companies Act, 1956 and who holds office up to the date of the forthcoming Annual General Meeting and being eligible and offers himself for the appointment and in respect of whom notice has been received from a member proposing his candidature pursuant to Section 257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company whose place of office is subject to retirement by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

6. To consider and if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, and other applicable provisions, if any of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act and subject to the approval the Central Government, if required and / or such other approvals as may be necessary, the approval of the members be and is hereby accorded to the appointment of Mr. Rajib Ghosh Roy as Wholetime Director of the company under the designation "Director-Operation" for a period of five years with effect from 1st July, 2010 to 30th June, 2015 on the terms and conditions including remuneration payable to him as Wholetime Director and minimum remuneration payable to him in case of absence or inadequacy of profit in any year, as set out in the Explanatory Statement.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to alter and vary the terms and conditions from time to time in such manner as it may deem fit in the best interest of the Company within the limits specified in Schedule XIII of the Act including any Statutory modification thereto, for the time being in force.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

7. To consider and if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, and other applicable provisions, if any of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act and subject to the approval the Central Government, if required and / or such other approvals as may be necessary, the approval of the members be and is hereby accorded to re-appointment of Mr. Kulkarni Raghavendra Rao as Wholetime Director of the company under the designation "Director-Finance" for a further period of five years with effect from 1st August, 2010 to 31st July, 2015 on the terms and conditions including remuneration payable to him as Wholetime Director and minimum remuneration payable to him in case of absence or inadequacy of profit in any year, as set out in the Explanatory Statement.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to alter and vary the terms and conditions from time to time in such manner as it may deem fit in the best interest of the Company within the limits specified in Schedule XIII of the Act including any Statutory modification thereto, for the time being in force.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

8. To consider and if thought fit, to pass, with or without modification (s) the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310 and read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals as may be necessary, the consent of the Company be and is hereby accorded to the revision of remuneration payable to Mr. Sidharth Bhandari, Managing Director of the Company with effect from 1st April 2010, for the remaining period of his tenure as specified and set out in the annexed Explanatory Statement in respect of this resolution.

"RESOLVED FURTHER THAT the Board of Directors of the Company on the recommendation of the Remuneration Committee, be and is hereby authorised to revise the remuneration payable (including the perquisites) by way of annual increments or otherwise to Mr. Sidharth Bhandari Managing Director as they deem fit from time to time, as per rules of the Company."

"RESOLVED FURTHER THAT where during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate in any financial year, the Managing Director shall be entitled to remuneration by way of salary and perquisites not exceeding the limits as specified and set out in the Schedule XIII of the Companies Act, 1956 as Minimum Remuneration."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the above resolution."

9. To consider and if thought fit, to pass, with or without modification (s) the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310 and read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals as may be necessary, the consent of the Company be and is hereby accorded to the revision of remuneration payable to Mr. Sidharth Bhandari, Managing Director of the Company with effect from 1st October 2010, for a period not exceeding three years as specified and set out in the annexed Explanatory Statement in respect of this resolution.

"RESOLVED FURTHER THAT the Board of Directors of the Company on the recommendation of the Remuneration Committee, be and is hereby authorised to revise the remuneration payable

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(including the prerequisites) subject to schedule XIII of the companies Act, 1956 by way of annual increments or otherwise, to Mr. Sidharth Bhandari Managing Director as they deem fit from time to time, as per rules of the Company.”

“RESOLVED FURTHER THAT where during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate in any financial year, the Managing Director shall be entitled to remuneration by way of salary and prerequisites not exceeding the limits as specified and set out in the Schedule XIII of the Companies Act, 1956 as Minimum Remuneration.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the above resolution.”

10. To consider and if though fit, to pass, with or without modification (s) the following resolution as Special Resolution:

“RESOLVED THAT pursuant to Sections 16, 31 and 94 and other applicable provisions, if any, of the Companies Act, 1956, the existing authorised Share Capital of the Company of Rs.6,50,00,000 (Rupees six crores and fifty lakhs only) divided into 65,00,000 (Sixty five lakhs only) equity shares of Rs. 10/- (rupees ten each) be altered by dividing into:

- I) Rs. 6,00,00,000/-(Rupees six crores) divided into 60,00,000(Sixty lakhs) equity shares of Rs.10/- (rupees ten each)

And

- II) Rs. 50,00,000/-(rupees fifty lakhs) divided into 50,000(Fifty Thousand) Cumulative convertible preference shares of Rs.100/-(rupees Hundred each).

With such rights, privileges and conditions attaching thereto as are provided by the regulations of the Company and to divide the shares in the capital for the time being in accordance with the provisions of the Companies Act, 1956.

RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the Company be and is hereby altered to read as follows :

- V) “The authorised Share Capital of the Company is Rs.6,50,00,000 (Rupees six crores and fifty lakhs only) divided into 60,00,000(Sixty lakhs) equity shares of Rs.10/- (rupees ten each) and 50,000 (Fifty Thousand) Cumulative convertible preference shares of Rs.100/-(rupees Hundred each)

RESOLVED FURTHER THAT THE Article No.4 be and is hereby altered to read as follows

- 4) The authorised Share Capital of the Company is Rs.6,50,00,000 (Rupees six crores and fifty lakhs only) divided into 60,00,000(Sixty lakhs) equity shares of Rs.10/- (rupees ten each) and 50,000 (Fifty Thousand) Cumulative convertible preference shares of Rs.100/-(rupees Hundred each)”.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to Fix the rate of dividend end other condition at the time of issue of preference shares and do such other acts and deeds as may be necessary for giving effect to this resolution.”

By Order of the Board

CHINMAYA KHATUA

COMPANY SECRETARY

Place: Bangalore

Date: 31st July, 2010

NOTES

1. Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956, in respect of item Nos.5,6,7,8,9 and 10 set out above are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 3rd September 2010 to 7th September 2010 (Both days inclusive).
4. Members who are holding shares in Demat are requested to notify changes, if any, to their respective Depository Participants and those holding in physical form are requested to notify to M/s Cameo Corporate Services Limited, Subramanian Building, # 1, Club House Road, Chennai – 600 002.

INFORMATION ABOUT DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING.

Item No.2

Mr K Raghavendra Rao aged 55 years holds Bachelor degree in Commerce. He has over 25 years of experience and holding directorship of Indo European Machinery Co. Pvt. Ltd, Hittco Properties Pvt. Ltd. and HTC Properties Pvt Ltd.. Mr K Raghavendra Rao holds 1000 shares of the company.

Except Mr.K Raghavendra Rao none of the Directors of the Company is interested in this item of business.

The Board of Directors recommends the resolution for approval by the members.

Item No.3

Mr. Joseph Mathai, aged 50 years has rich experience of more than 10 years in the Industry. He actively contributes in the policy decisions of the Company. He holds 100 Equity Shares of the Company.

Except Mr.Joseph Mathai none of the Directors of the Company is interested in this item of business.

The Board of Directors recommends the resolution for approval by the members.

ANNEXURE TO NOTICE

Explanatory Statements pursuant to section 173(2) of the Companies Act, 1956.

Item No. 5:

The Board had appointed Mr. Rajib Ghosh Roy, at its meeting held on 25 June 2010, as an Additional Director with effect from 1st July, 2010, liable to retire by rotation. Under Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, Mr. Rajib Ghosh Roy holds office only till the date of the forthcoming Annual General Meeting.

Mr Rajib Ghosh Roy is 40 year of age and holds Bachelor degree in Engineering. He has over 10 years experience in cutting Tools Industry and he is not related to any of the Directors of the Company.

Notice has been received from a member as required under Section 257 of the Companies Act, 1956 proposing Mr. Rajib Ghosh Roy as candidate for the office of Director.

Mr. Rajib Ghosh Roy may be deemed to be concerned or interested in the resolution concerning his appointment.

The Board recommends the resolution for the approval of the members.

Item No. 6:

The Board had appointed Mr. Rajib Ghosh Roy as a Wholetime Director of the Company designated as Director-Operation for a period of 5 years with effect from 1st July, 2010 to 30th June, 2015. In the following terms.

The remuneration payable is as under:

1. Salary: Rs.35,000/- per month including all other allowances
2. Commission on Sales as per rules of the Company
3. Perquisites:
Perquisites will be in addition to the remuneration and will be subject

to the conditions that the monetary value shall be restricted to an amount equal to the annual remuneration and will be in accordance with the rules of the Company. Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such Rules, shall be evaluated at actual cost.

4. Minimum Remuneration

Where in any financial year, the Company has no profit or its profits are inadequate, the remuneration will be treated as minimum remuneration subject to schedule XIII of the Companies Act, 1956.

Mr. Rajib Ghosh Roy may be deemed to be concerned or interested in the resolution concerning his appointment.

The Board recommends the resolution for the approval of the members.

Item No. 7:

The Board had re-appointed Mr. K Raghavendra Rao as a Wholtime Director of the Company designated as Director-Finance for a period of 5 years with effect from 1st August, 2010 to 31st July, 2015. In the following terms.

The remuneration payable is as under:

1. Salary: Rs.37,000/- per month including all other allowances

2. Commission on Sales as per rules of thr Company

3. Perquisites:

Perquisites will be in addition to the remuneration and will be subject to the conditions that the monetary value shall be restricted to an amount equal to the annual remuneration and will be in accordance with the rules of the Company. Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such Rules, shall be evaluated at actual cost.

4. Minimum Remuneration

Where in any financial year, the Company has no profit or its profits are inadequate, the remuneration will be treated as minimum remuneration subject to schedule XIII of the Companies Act, 1956.

Mr. K Raghavendra Rao may be deemed to be concerned or interested in the resolution concerning his appointment.

The Board recommends the resolution for the approval of the members.

Item No : 8

As the Company made profit in the year 2009-10, subject to approval of shareholders in this ensuing Annual General Meeting, the Board of Directors on their meeting held on 13.04.2010 revised the remuneration, payable to Mr. Sidharth Bhandari, Managing Director of the Company as recommended by the Remuneration Committee with effect from 1st April 2010 for the remaining period of his tenure with the following terms;

The remuneration payable is as under:

1. Salary: Rs.90,000/- per month including all other allowances

2. Perquisites:

Perquisites will be in addition to the remuneration and will be subject to the conditions that the monetary value shall be restricted to an amount equal to the annual remuneration and will be in accordance with the rules of the Company. Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such Rules, shall be evaluated at actual cost.

3. Minimum Remuneration

Where in any financial year, the Company has no profit or its profits are inadequate, the remuneration will be treated as minimum remuneration subject to schedule XIII of the Companies Act, 1956.

Mr. Sidharth Bhandari, Mr.Surendra Bhandari and Mrs. Madhu Bhandari are deemed to be concerned or interested in the Resolution.

The Board recommends the resolution for the approval of the members.

Item No. 9:

Subject to approval of shareholders in this ensuing Annual General Meeting and subject to Schedule XIII of the Companies Act, 1956, the Board of Directors on their meeting held on 31.07.2010 proposed to revise the remuneration, payable to Mr; Sidharth Bhandari, Managing Director of the Company as recommended by the Remuneration Committee with

effect from 1st October 2010 for a period not exceeding 3 years with the following terms;

The remuneration payable is as under:

1. Salary: Rs.1.25 Lakhs per month including all other allowances

2. Commission : • Upto 1% on sales.

3. Perquisites:

Perquisites will be in addition to the remuneration and will be subject to the conditions that the monetary value shall be restricted to an amount equal to the annual remuneration and will be in accordance with the rules of the Company. Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such Rules, shall be evaluated at actual cost.

4. Minimum Remuneration

Where in any financial year, the Company has no profit or its profits are inadequate, the remuneration will be treated as minimum remuneration subject to schedule XIII of the Companies Act, 1956.

Mr. Sidharth Bhandari, Mr.Surendra Bhandari and Mrs. Madhu Bhandari are deemed to be concerned or interested in the Resolution.

The Board recommends the resolution for the approval of the members.

INFORMATION UNDER SCH.XIII OF THE COMPANIES ACT, 1956

I. GENERAL INFORMATION :

- (1) Nature of industry- manufacturer of cutting tools
- (2) commencement of commercial production- 1995
- (3) Company has made net profit ofRs. 29.64 lakhs during the year 2009-10.
- (4) Export sales for the year 2009-10 is Rs. 38.07 lakhs
- (5) In the year 2007-08 the Company has issued 6,00,000 equity shares to a foreign investor.

II. INFORMATION ABOUT THE APPOINTEE :

- (1) Background details- Mr Sidharth Bhandari is 38 year of age and holds BE in Industrial Production. He has over 15 years of business experience.
- (2) Past remuneration- 90,000/- per month (see item No.8 explanatory statement)
- (3) Job profile and his suitability- Working as Managing Director. He is very dedicated and has capability to grow the Company.
- (4) Remuneration proposed- 1.25 lakhs per month + upto 1% commission on sales (see Item No 9 Explanatory statement)
- (5) Mr Sidharth Bhandari is a promoter and holding 92,699 equity shares of the company.

III. OTHER INFORMATION :

- (1) Reasons for loss or inadequate profits is due to depreciation and Interest of financial institutions. The company has repaid all the loans taken from KSIIDC and SBM. The company has increased its production capacity and competent of achieving more profitability in future.
- (2) During the Year 2009-10 the Company has completed 1st phase of expansion and the 2nd phase of expansion is going on.
- (3) The Company Expects to increase the turnover upto Rs. 12 crore per annum and profit upto Rs. 1.5 crore per annum within two years.

Item No. 10:

In view of proposed expansion plan, your company may have to go in for increase of the preference capital base either by public issue or preferential issue. In order to go in for any such issue, the authorized capital of the Company should be adequately altered to accommodate the proposed increase of the capital base. The above change proposed will necessitate amendment to the Capital clause of the Memorandum of Association and Articles of Association of the company.

Pursuant to section 16, 31 and 94 of the Companies Act, 1956 the above said amendments should be approved by the General Body by way of a special Resolution. Your directors recommend the proposed resolutions giving effect to the above amendments for your approval.

None of the Directors is interested in the proposed resolution

By Order of the Board

CHINMAYA KHATUA

COMPANY SECRETARY

Place: Bangalore

Date: 31st July, 2010

DIRECTORS' REPORT

The Members,

Your Directors take pleasure in presenting the 16th Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

(Rs. In Lakhs)

Particulars	2009-10	2008-09
Sales	480.81	330.47
Other Income	29.04	7.14
Increase/Decrease in Stock	41.16	30.89
Operational Expenses	473.37	349.81
Interest and Financial Charges	3.57	4.34
Profit before Depreciation and Tax	74.07	14.35
Depreciation	38.61	35.34
Profit / (Loss) after Depreciation and Tax	29.64	-22.43

OPERATIONS AND BUSINESS PERFORMANCE

The Company has almost maintained a turnover of Rs.480.81 lakhs during the year 2009-10 as against Rs.330.47 lakhs during the previous year 2008-09. The Export Sales for the year 2009-10 was 38.07 lakhs compared to Rs.39.63 lakhs during the previous year and contributed 7.92 % of the total sales. The Company's net profit for the year 2009-10 was Rs.29.64 lakhs as against loss of Rs.22.43 lakhs in the previous year. The company is competent of achieving more profitability.

DIVIDEND

The Board is unable to recommend any Dividend for the year under review due to accumulated loss of the company.

FINANCE

The Company had paid the entire loan amount of Rs. 3.01 Crore against settlement during the year 2007-08. However there was further demand of Rs. 6 lakhs towards settlement as per Karnataka State Industrial Investment & Development Corporation Limited, Bangalore. So we had approached the Hon'ble High Court of Karnataka and own the case.

DIRECTORS

At the ensuing Annual General Meeting, Mr. K.Raghavendra Rao, Mr. Joseph Mathai and will retire by rotation and being eligible offer themselves for reappointment.

Mr. Chander Mohan Datta resigned with effect from 25th June, 2010 and Mr. Rajib Ghosh Roy was with effect from 1st July, 2010 appointed as an Additional Director of the Company. Consequent to the said appointment, he was also appointed as a Wholtime Director of the Company designated as Director Operation. In accordance with section 260 of the Companies Act, 1956, Mr. Rajib Ghosh Roy holds office up to the date of the forthcoming Annual General Meeting of the Company. Notice has been received under Section 257 of the Companies Act, 1956 from a shareholder proposing Mr. Roy as a candidate for the office of Director.

DIRECTORS RESPONSIBILITY STATEMENT:

As per the provisions of Section 217(2AA) of the Companies Act 1956, the Directors hereby submit that -

1. The Company had followed all the applicable Accounting Standards and there is no material departure from this in the preparation of the annual accounts ;
2. The Company had selected the normal accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of

the Profit of the Company for that period ;

3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ; and
4. The Company had prepared the annual accounts on a going concern basis.

DEPOSITS

The Company has not accepted/renewed any deposit from the public during the year under review.

PERSONNEL

No employee of the Company had drawn salary in excess of the limits specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

AUDITORS

M/s Sudhakar Hegde & Co., Chartered Accountants, Statutory Auditors, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer for reappointment as Statutory Auditors.

M/s Swamy & Associates, Company Secretaries, have been appointed as Secretarial Auditors of the Company for the year 2010-11.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information as required under Section 217(1) (e) of the Companies Act, 1956 is enclosed as Annexure-A to this report.

MANAGEMENT DISCUSSION & ANALISYS REPORT

Management Discussion & analysis report is enclosed at Annexure-B to this report.

CORPORATE GOVERNANCE

A report on Corporate Governance is placed at Annexure-C to this report. Your Company has voluntarily got the Secretarial Audit done for the year 2009-10 as a part of good corporate governance practice and the report of M/s Swamy & Associates, Company Secretaries is placed at Annexure-D to this report.

SECURITIES

The Company's shares are listed in the Stock Exchanges of Bangalore, Mumbai and Chennai. The addresses of the said Stock Exchanges are stated elsewhere in this Annual Report.

ACKNOWLEDGEMENTS

Your Directors place on record their gratitude to the Governments, Financial Institutions and Banks for the assistance, co-operation and encouragement received during the year. For the continuing support of Investors, Dealers, Business Associates and Employees at all levels. Your Directors wish to place on record their sincere appreciation for their unstinting efforts in ensuring excellent performance.

Your Directors also wish to express their appreciation of dedicated efforts in pursuits of excellence put in by the employees at all levels.

For and on behalf of the Board of Directors

SURENDRA BHANDARI

SIDHARTH BHANDARI

CHAIRMAN

MANAGING DIRECTOR

Place: Bangalore

Date: 31st July 2010

ANNEXURE TO THE DIRECTORS REPORT

Annexure - A

The information required in terms of Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are furnished below:

Conservation of Energy:

In design and execution, energy conservation measures have been implemented. The efforts to conserve and optimize the use of energy through improvements in design and operational methods will continue.

A. Form - A

C. Power and Fuel Consumption :	2009-10	2008-09
Electricity		
a) Purchased units (Lac Units)	3,31,655	2,38,172
b) Total Amount (Lac Rs.)	15,78,527	12,46,023
c) Rate/Unit (Rs.)	4.76	5.23
a) Generated units (Lac Units)	39,007	1,90,200
b) Total Amount (Lac Rs.)	593601	7,25,290
c) Rate/Unit (Rs.)	15.22	3.80

Annexure - B

MANGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENTS

In the financial year 2009-2010 the consumption of HSS Drills & Taps in Indian Market is Rs.1800Cr. Production in India by Different manufacturer is Rs.1650 Cr. Import from other Countries like China, Taiwan & other European Countries is Rs.150 Crores. The HSS Drills & taps market is growing annually by 9.2%.

The consistent demand of HSS Drills & Taps has prompted manufactures to increase the production capacity.

OPPRTUINITIES AND THREATS

With the vast experience of cutting tool manufacturing experience Company has started production of Carbide Drills which is having a market of Rs. 1400Cr. The major boost in Automobile market has increased the sale of Carbide tools in India. The Carbide Tool market is growing annually by 15%, which is much faster than the growth of HSS Tools. The threat perception in the country includes competition of Multi National Company's setting up plant in India & cheap priced tools from Taiwan & China.

SEGMENT-WISE PERFORMANCE

Your Company made Profit Rs. 29.64 lakhs on a turnover of Rs. 480.81 lakhs and other income of Rs. 29.04.

	Drill Bits & Taps (in Lakhs)
Net Sales & Operating Revenue	Rs. 480.81
PBIT	39.04
Capital Employed	682.33
ROCE (%)	5.72%
PBIT Margins (%)	8.1%

OUTLOOK FOR THE INDUSTRY

The domestic Drill Bits and Taps supply is going increase in the coming years. Your Company has plans to increase production of Drill Bits and Taps as well as Carbide Tools. Additionally we are planning to expand our overseas marketing activities.

OUTLOOK FOR THE COMPANY

In your Company's future strategic growth plans, the core areas include further expansion of the capacities of machines. Its strategic plans are

B. Technology Absorption

Measures are taken by the Company for development of own technology through process & product development, Waste utilization, Energy conservation, Power Consumption etc. Continuous efforts are made towards technology innovation. The Company has installed two machines in the factory for Effluent Treatment Plant purposes and constructed separate room for keeping the used cotton waste which is disposed from the factory.

C. Foreign Exchange Earnings and Outgo

The Export Sales during the year has contributed 7.92% of the total Sales.

	2009-10	2008-09
Total Foreign Exchange – Used (Rs.) :	1,48,67,744.75	70,81,662
– Earned (Rs.):	57,00,176	39,62,507

For and on behalf of the Board of Directors

**SURENDRA BHANDARI
CHAIRMAN**

**SIDHARTH BHANDARI
MANAGING DIRECTOR**

Place: Bangalore

Date: 31st July 2010

also directed towards meaningful utilization & redeployment of resources depending on the situations and full capacity utilization of existing operations with proactive financial management and with qualitative focus on human resource development.

RISKS & CONCERNS

The rising price of fuel oil and other input materials are a cause of concern for the industry.

International disturbances caused by terrorist strikes, polarization of trade blocks and sudden unhealthy trends in the international scenario arising out of political uncertainty in the global context is a risk factor.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUECY

Your Company has well established internal control systems commensurate with the size of the Company. Company has entrusted the jobs of internal audit to well experienced employees of the Company. The internal audit reports are discussed by an independent committee constituted by the Board. Action is being taken to further strengthen internal control procedures in respect of inventory and management.

DISCUSSION ON FINANCIAL PEFORMANCE WITH RESPECTS TO OPERATIONAL PERFORMANCE

Details on financial performance with respect to operational performance are given in the Directors' Report.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED

Human Resources Development is the key for the success of any organization. Keeping this in mind and the targets set, functional and development training needs are identified from multiple sources, primarily the competency related needs, secondly, needs arising from organizational requirements and finally departmental/sectional imperatives. So your Company has appointed in this year as many employees required for higher production.

For and on behalf of the Board of Directors

**SURENDRA BHANDARI
CHAIRMAN**

**SIDHARTH BHANDARI
MANAGING DIRECTOR**

Place: Bangalore

Date: 31st July 2010

CORPORATE GOVERNANCE REPORT

PHILOSOPHY

Our Company believes in practicing good Corporate Governance, attaining maximum level of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholders viz. shareholders, employees, customers, Government, bankers, society at large etc.

BOARD OF DIRECTORS

a) Composition

The present strength of the Board of Directors is Ten (10). Out of Ten Directors, Seven Directors (more than 50%) are Non-Executive Directors. Besides, Five Directors (50%) are independent Directors. The composition of the Board is in conformity with the requirement of Clause 49 of the Listing Agreement.

b) Meetings of the Board of Directors

The Board of Directors meets regularly and is responsible for the proper direction and management of the Company. During the financial year 2009-10 Seven Board Meetings were held on 29.04.2009, 30.6.2009, 31.07.2009, 30.10.2009, 04.12.2009,

d) Details about Company's Board of Directors :

Name of the Director	Share Holding	Category	Attendance Particulars			Directorships in other Companies	Committee Memberships	
			No of Board Meetings		Last AGM		Memberships	Chairmanships
			Held	Attended	Attended			
1. Surendra Bhandari	4,00,100	Chairman	7	7	No	7	1	2
2. Madhu Bhandari	70,077	Director	7	6	No	7	-	-
3. Sidharth Bhandari	92,699	Managing Director	7	6	No	8	2	1
4. C. M. Datta#	1,100	Executive Director	7	6	Yes	-	1	-
5. Rajib Ghosh Roy*	0	Wholetime Director	7	-	No	-	-	-
6. K. Raghavendra Rao	1,000	Wholetime Director	7	7	Yes	2	3	-
7. Joseph Mathai	100	Independent Director	7	7	Yes	-	-	1
8. Rajeev G. Hassanand	0	Independent Director	7	5	Yes	1	-	-
9. S.R. Satish	0	Independent Director	7	7	Yes	-	-	-
10. N.K. Raghunath	1,000	Independent Director	7	4	Yes	-	-	-
11. Vikram s gupta	1,000	Independent Director	7	3	No	1	1	-
12. Sharad Bhandari @	21,000	Independent Director	7	0	No	1	-	-

*Appointed on 01.07.10

Resigned on 25.06.10

@ Resigned on 30.06.09

e) Information supplied to the Board

The Board has complete access to all information with the Company, inter-alia, the following information is regularly provided to the Board:

- Annual operating Plans, Capital Budgets, Revenue Budgets and updates;
- Quarterly results of the Company ; and
- Other relevant factors which the Board may require.

f) Remuneration paid to Directors

During 2009-10, the Company did not advance any loan to any of its Directors.

The remuneration paid to the Directors for the year 2009-10 is given below :

Name of the Director	Category	Salary	P.F.
1. Surendra Bhandari	Chairman	-	-
2. Sidharth Bhandari	Managing Director	Rs 9,00,000/-	Rs.9,360/-
3. Madhu Bhandari	Director	-	-
4. C. M. Datta	Executive Director	Rs.3,63,886/-	Rs.3,120/-
5. Sharad Bhandari	Independent Director	-	-
6. K. Raghavendra Rao	Wholetime Director	Rs.3,63,000/-	Rs.9,360/-
7. Joseph Mathai	Independent Director	-	-
8. Rajeev G. Hassanand	Independent Director	-	-
9. S.R. Satish	Independent Director	-	-
10. N.K. Raghunath	Independent Director	-	-
11. Vikram s gupta	Independent Director	-	-

BOARD COMMITTEES

The Company has four Board level Committees – Audit Committee, Remuneration Committee, Share Transfer Committee and Shareholders / Investors' Grievances Redressal Committee. All decisions pertaining to the constitution of Committees, appointment of Committee Members and fixing of their terms of service are taken by the Board of Directors.

a) Audit Committee

The composition of Audit Committee as on 31.03.2010 is as follows:

1. Mr. Joseph Mathai - Chairman
2. Mr. K. Raghavendra Rao - Member
3. Mr. Vikram S Gupta - Member

The Company Secretary is the Secretary of the Committee. The Audit Committee

04.01.2010 and 01.03.2010 and the maximum gap between any two meetings was not more than Four Months.

Quarter		Dates
April - June	1	29th April 2009
	2	30th June 2009
July – September	3	31st July 2009
October – December	4	30th October 2009
	5	4th December 2009
January – March	6	4th Jan 2010
	7	1st March 2010

c) Directors' Attendance Record and Directorship held

As mandated by Clause 49 of the Listing Agreement, none of the Directors are members of more than Ten Committees of Boards nor are they Chairman of more than Five Committees in which they are Members. The Independent Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries.

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held five meetings during 2009-10 on 24.04.2009, 30.06.2009, 31.07.2009, 30.10.2009 and 04.01.2010.

The heads of finance function, internal audit and the representative of the statutory auditors are permanent invitees to the Audit Committee meetings.

b) Remuneration Committee

The Remuneration Committee comprises of three Directors, viz. Mr. Surendra Bhandari, Mr. Sidharth Bhandari and Mr. C. M. Datta. Mr. Sidharth Bhandari is the Chairman of the Remuneration Committee. The Company Secretary is the Secretary of the Committee. The Remuneration Committee held two meetings during 2009-10 on 15.07.2009 and 15.01.2010.

c) Share Transfer Committee

The Share Transfer Committee comprises of three Directors, viz. Mr. Surendra Bhandari, Mr. Sidharth Bhandari and Mr. K. Raghavendra Rao. Mr. Surendra Bhandari is the Chairman of the Share Transfer Committee. The Company Secretary is the Secretary of the Committee. The Share Transfer Committee held one Meeting during 2009-10 on 30.11.2009.

d) Shareholders / Investors' Grievances Redressal Committee

The Shareholders / Investors' Grievances Redressal Committee comprises of three Directors, viz. Mr. Surendra Bhandari, Mr. Sidharth Bhandari and Mr. K. Raghavendra Rao. Mr. Surendra Bhandari is the Chairman of the Shareholders / Investors' Grievance Committee. The Company Secretary is the Secretary of the Committee. The Shareholders / Investors' Grievance Committee held two meetings during 2009-10 on 25.07.2009 and 28.12.2009.

GENERAL BODY MEETINGS

Particulars of the General Meetings of the Company held during the last 3 Years:

Annual general Meeting			
Year	Date	Time	Location
2006-2007	28.09.2007	10.15 A.M.	SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore-560 001.
2007-2008	13.08.2008	11.30 A.M.	"SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore-560 001
2008-2009	25.09.2009	12.00 NOON	"SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore-560 001.

No special resolution was passed through postal ballot at the Annual General Meeting held during the year under report.

DISCLOSURES:

(i) Related Party Transactions

There were no material significant transactions with the Directors or the management or relatives that have any potential conflict with interest of the Company at large.

(ii) Compliances by the Company

There was no case of non-compliance by the Company, nor any case of penalties or strictures, imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authorities on any matter related to capital markets during the last three years.

(iii) CEO/CFO Certification

The CEO and the CFO of the Company have certified to the Board with regard to the compliance made by them in terms of Clause 49(V) of the Listing Agreement.

(iv) Non-Mandatory Requirements

The Company has not adopted the non-mandatory requirements as specified in Annexure 1D of clause 49 of the Listing Agreement.

(v) Accounting Treatment

The financial statements are prepared under the historical cost convention and have been prepared in accordance with applicable mandatory Accounting Standards and relevant presentational requirements of the Companies Act, 1956.

MEANS OF COMMUNICATION

The Company has always promptly reported all material information including quarterly financial results, press releases issued by the Company, etc. to all Stock Exchanges where the securities of the Company are listed. The quarterly results and other information were communicated to the shareholders by way of

advertisement in a national and in vernacular language daily newspapers.

GENERAL SHAREHOLDERS' INFORMATION

The Annual general Meeting of the Company is scheduled to be held on Tuesday, the 7th September 2010 at 11.00 A.M at "SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore – 560 001.

Financial Calendar (tentative and subject to change):

Events	Tentative Date
Annual General Meeting for the year ending March 31, 2010	7th September, 2010
Unaudited Financial results for the first quarter ending 30th June, 2010	7th July, 2010
Unaudited Financial results for the second quarter ending 30th September, 2010	By 15th November, 2010
Unaudited Financial results for the third quarter ending 31st December, 2010	By 15th February, 2011
Audited Financial results for the year ending 31st March, 2011	May, 2011

Book Closure Dates

Friday, the 3rd September, 2010 to Tuesday, the 7th September, 2010 (both days inclusive) for requirements of Clause 16 of the Listing Agreement for the financial year 2009-10.

Dividend

Due to accumulated loss, the Board is unable to recommend any Dividend for the year under review.

Listing on Stock Exchanges

The Company's shares are listed in Bombay Stock Exchange Limited (BSE) P. J. Towers, Dalal Street, Mumbai – 1, The Bangalore Stock Exchange, # 51, 1st Cross, J. C. Road, Bangalore – 560 027 and The Madras Stock Exchange Limited, # 30, Second Line Beach, Chennai – 600 001..

Stock Code

Stock Exchange	Code
Bombay Stock Exchange Limited	531661

Market Price Data

Monthly Share Price movement during 2009-10 on Bombay Stock Exchange:

No	Date	Highest (Rs.)	Lowest (Rs.)
1.	April,2009	8.45	8.45
2.	May, 2009	9.31	8.80
3.	June, 2009	10.00	8.58
4.	July, 2009	9.00	8.80
5.	Aug, 2009	10.40	8.85
6.	Sep, 2009	9.30	7.10
7.	Oct, 2009	8.85	7.00
8.	Nov, 2009	7.61	6.42
9.	Dec, 2009	10.93	6.75
10.	Jan, 2010	20.04	11.47
11.	Feb, 2010	18.00	14.55
12.	Mar, 2010	21.60	12.85

Registrar and Transfer Agents:

All works related to share both for physical and electronic segments are maintained by our Registrar and Transfer Agents named M/s Cameo corporate Services Ltd., located at Subramaniam Building, #1 Club House Road, Chennai-600 002.

Share Transfer System

All share transfers and other communications regarding share certificates, change of address, transmission, etc. should be addressed to Registrar and Transfer Agent. All share transfers now take place on fortnightly basis. All share transfers are completed within statutory time limit from the date of receipt, provided documents meet the stipulated requirement of statutory provisions in all respects.

Distribution of Shareholding

Given below Tables A & B lists the distribution of the shareholding of the Equity Shares of the Company by size and by ownership class as on 31st March 2010.

Table A: Shareholding Pattern by Size

No of Equity Shares held	Total No. of Shareholders	% to total Shareholders	Total No. of shares	% to total Shares
00001 – 05000	852	91.91	494760	9.36
05001 – 10000	27	2.91	207938	3.94
10001 - 20000	19	2.05	267146	5.06
20001 - 30000	10	1.08	230155	4.36
30001 - 40000	2	0.21	73300	1.39
40001 - 50000	4	0.43	194305	3.68
50001– 100000	7	0.76	598576	11.33
100001 & above	6	0.65	3215120	60.88
Total	927	100	5281300	100

Table B: Shareholding Pattern by Ownership

Particulars	No. of Shareholders	% to total shareholders	No. of shares	% to total Shares
Directors, Promoters & their family members	14	1.51	2936296	55.60
Corporate Bodies	53	5.72	1005318	19.03
Individuals	860	92.77	1339686	25.37
Total	927	100	5281300	100

Dematerialization of Equity Shares

Trading in equity shares of the Company became mandatory in dematerialized form from 1.10.2000. To facilitate trading in demat form, there are two depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company has entered into agreements with both these NSDL and CDSL. Shareholders can open their accounts with any of the Depository Participants to hold their shares in dematerialized form. About 70.46% of the Equity Shares of the Company are held in the dematerialized form.

Outstanding GDRs/ADRs/Warrants or any convertible Instruments, Conversion Date and likely impact on equity

The Company has neither issued any GDR/ ADR nor any convertible instrument as on date.

Plant Locations of the Company

Unit-I	Unit-II
#78, III Phase, Peenya Industrial Area, Bangalore - 560 058.	#65, 1st Main Road,II Phase, Peenya Industrial Area, Bangalore - 560 058.

Address for Correspondence

The Company's Registered Office is situated at:
#42, Nandidurg Road, Bangalore - 560 046.
Tel: 080-41491251 (Extn. 131/138) Fax: 080-41491250
E-mail ID: i) kr_rao31@hotmail.com
ii) chinmaya@hittco.com

Our Registrar and Transfers Agent's Address is:

M/s Cameo corporate Services Ltd.
Subramaniam Building, #1 Club House Road, Chennai-600 002.
Tel : 044-28460390 Fax : 044-28460129

Shareholders holding shares in electronic form should address all their correspondence regarding change of address, bank particulars etc. to their respective Depository Participants (DPs) only. There is no need to inform these changes to the Company or its Registrar Transfer Agent.

For and on behalf of the Board of Directors

SURENDRA BHANDARI
CHAIRMAN

SIDHARTH BHANDARI
MANAGING DIRECTOR

Place: Bangalore
Date: 31st July 2010

Annexure - D

SECRETARIAL AUDIT REPORT

To
The Members
Hittco Tools Ltd.
Bangalore.

We have examined all secretarial records and the compliance of provisions of the Companies Act, 1956, the regulations, guidelines and the instructions issued by the Securities and Exchange Board of India (SEBI) and the relevant clauses of the Listing Agreement with Stock Exchanges where the shares of Hittco Tools Ltd.(the company) are listed, the Depositories Act, 1996 and bye-laws framed there under from time to time, for the year ended 31st March, 2010 and we report that:

1. Maintenance of Statutory Records:

The Company is maintaining all statutory records and registers as required to be maintained under various provisions of the Companies Act, 1956 and the rules made there under and all the records and entries in the registers are upto date.

2. Filling of Statutory Returns:

The Company has timely filed all statutory returns with the Registrar of Companies as well as with other Statutory Authorities and has furnished

the required documents / intimations to the Stock Exchanges regularly and within the scheduled time frame as required under various clauses of the Listing Agreement.

3. Composition of the Board:

The Board of Directors of the Company comprised of 10 directors; consisting of the Chairman (Non-Executive Chairman), Managing Director (Executive), two executive directors, one non-executive director and five independent directors(Non-Executive) as on 31.03.2010. In terms of clause 49 of Listing Agreement, at least half of the Board should comprise of independent directors.

4. Board Meetings:

During the year, the Board of Directors of the Company met seven times 29.04.2009, 30.06.2009, 31.07.2009, 30.10.2009, 04.12.2009, 04.01.2010 and 01.03.2010 in respect of which proper notices were given. The proceedings of the meetings including the resolution passed were properly recorded in the Minutes Book maintained by the Company and duly signed.

5. Registrar & Transfer Agent:

The Company has a Registrar & Transfer Agent named Cameo corporate

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Services Ltd., located at Subramaniam Building, #1 Club House Road, Chennai-600 002 and all the work related to share in terms of both physical and electronic segments are being handled there.

6. Share Transfer Committee:

To ensure speedy and timely transfer/transmission of shares in physical segment, the Share Transfer Committee constituted by the Board considered and approved all the share related issues besides taking note of beneficial owners position under demat mode. During the year ended 31st March, 2010, the Share Transfer Committee met 1 times.

7. Redressal of Investors Grievances:

All the complaints/grievances relating to share transfers, transmission, demat / remat of shares, issue of duplicate share certificates etc. were promptly attended to by the Company and they were resolved within a weeks time of their receipt.

8. Insider Trading Regulations:

The Company has complied with the provisions of the Securities and

Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 with regard to disclosures and maintenance of records required under the regulations.

9. No Legal Notice:

The Company has not received any Show cause notice for any alleged offence/violation under the Companies Act, 1956 or under SEBI guidelines and no fine, penalty or other punishment has been imposed in the Company in this regard during the year under review.

10. Public Deposits:

No public Deposits were accepted by the Company under Companies (Acceptance of Deposits) Rules, 1975 during the year. The Company has neither issued any GDR/ADR nor any convertible instrument during the year under report..

Place: Bangalore

Date: 31.07.2010

**P. Periaswamy
(Practicing Company Secretaries)
CP No. 7319**

AUDITORS' REPORT

ToThe Members,
M/s. Hittco Tools Limited
Bangalore.

1. We have audited the attached Balance Sheet of M/s. Hittco Tools Limited, Bangalore as at 31st March 2010 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order,
4. Further to our comments in annexure referred to in paragraph 3 above:-
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the company as far as appears from our examination of the books.
 - c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with books of Accounts.
 - d) In our opinion, the Balance Sheet and the Profit & Loss Account dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956.
 - e) On the basis of the written representations received from the Directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified from being appointed as Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with Accounting Policies and Notes on Accounts thereon, gives the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010.
 - ii) in the case of the Profit and Loss Account of the Profit of the company for the year ended on that date.
 - iii) in the case of Cash Flow Statement, if Cash Flows for the year ended on that date.

Place Bangalore
Date: 26th May, 2010

for SUDHAKAR HEGDE & CO.,
Chartered Accountants,

**K.SudhakarHegde
Proprietor
Membership No.: 200007**

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

Re: HITTCO TOOLS LIMITED

1. The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets. Physical verification of fixed assets is performed by the management in accordance with a rotational plan, which is intended to cover all the fixed assets of the company over a period of two years. We are informed that no material discrepancies were noted, during the course of such verification. In our opinion, the frequency of such verification is reasonable. There was no substantial disposal and additions of fixed assets during the year.
2. The management has conducted physical verification of inventory at reasonable intervals during the year. The procedures of physical verification of inventory (except for goods in bond and in transit) followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. In our opinion, based on the information and explanation furnished, the amount advanced to the Companies, firms or other parties listed in the register maintained under section are not prejudicial to the interest of the Company.
4. According to the information and explanation given to us, transactions that need to be entered into register in pursuance of section 301 of the Act have been so entered.
5. In our opinion and based on our audit, internal control procedure has to be strengthened with the size of the Company and nature of its business.
6. The Company has not accepted any deposits from the public during the year under review. The company has accepted unsecured loan from directors and shareholders.
7. The Central Government has not prescribed maintenance of cost records by the company under section 209(1)(d) of the Act.
8. According to the records of the company, the company is generally regular in depositing undisputed statutory dues including withholding of taxes, provident fund, employees state insurance, income tax, sales tax, wealth tax, custom duty and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty were outstanding, at the year end for a period of more than six months from the date they became payable.
9. The Company has accumulated losses at the end of the financial year and it has not incurred cash losses in the current financial year and not incurred cash losses in the immediately preceding financial year.
10. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
11. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
12. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
13. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
14. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
15. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investment and no long term funds have been used to finance short term assets (excludes permanent working capital).
16. The company did not have any outstanding debentures during the year.
17. The Company has not raised any money by way of public issue during the year.
18. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statement and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**for SUDHAKAR HEGDE & CO.,
Chartered Accountants,**

**K.SudhakarHegde
Proprietor
Membership No.: 200007**

**Place: Bangalore
Date: 26th May, 2010**

AUDITORS REPORT ON CORPORATE GOVERNANCE

To

The Members of Hittco Tools Limited

We have examined the compliance of condition of corporate governance by Hittco Tools Limited for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of said Company with the stock exchanges.

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

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

We state that no investor grievance is pending for the period exceeding one month against the Company as per the record maintained by shareholders/ investors grievance committee,

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

**for SUDHAKAR HEGDE & CO.,
Chartered Accountants,**

**K.SudhakarHegde
Proprietor
Membership No.: 200007**

**Place: Bangalore
Date: 26.05.2010**

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	AS AT MARCH 31,2010 RUPEES	AS AT MARCH 31,2009 RUPEES
SOURCES OF FUNDS			
Share holders Funds			
Share Capital	A	54627152.00	54627152.00
Reserves & Surplus -Security Premium		16200000.00	16200000.00
TOTAL		70827152.00	70827152.00
Loan Funds			
Secured Loans	B	245657.02	1342237.86
Unsecured Loans	C	20800187.75	14385640.10
TOTAL		21045844.77	15727877.96
	TOTAL	91872996.77	86555029.96
Fixed Assets			
Gross Block at Cost	D	78122279.32	71164082.07
Less: Depreciation		37273542.07	33412610.07
Net Block		40848737.25	37751472.00
Add : Capiral Work In Progress & Advances		6926673.66	
TOTAL		47775410.91	37751472.00
Current Assets, Loans and advances	E	37016157.35	29011279.98
Less: Current Liabilities and Provisions	F	16558121.13	6811626.11
Net Current Assets		20458036.22	22199653.87
Profit and Loss Account			
Brough forward Loss from previous year		26603904.09	24360217.21
Current year Profit		2964354.45	(2243686.88)
		23639549.64	26603904.09
Loss Carried forward to next year			
	TOTAL	91872996.77	86555029.96

Note on accounts and significant accounting policies

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As per our report of even date
For Sudhakar Hegde & Co.,
Chartered Accountants

For and on behalf of Board of Directors

K.Sudhakar Hegde
Proprietor
Membership No.: 200007

Surendra Bhandari
Chairman

Sidharth Bhandari
Managing Director

Place: Bangalore
Date: 26.05.2010

Chinmaya Khatua
Company Secretary

K.Raghavendra Rao
Director (Finance)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

fig in rupees

	Schedule	For the year ended 31.03.2010	For the year ended 31.03.2009
INCOME			
Sales & Labour Charges		48080954.37	33047171.00
Interest and other Income	G	2904465.15	714322.27
Increase/(decrease) in Stocks	H	4116548.00	3089488.00
TOTAL		55101967.52	36850981.27
EXPENDITURE			
Material Consumed	I	17747636.66	15648202.07
Manufacturing and other expenses	J	29588974.94	19333268.50
Interest and Finance charges	K	357669.47	434109.58
Depreciation	D	3860932.00	3534353.00
		51555213.07	38949933.15
Profit /(Loss) before taxation		3546754.45	(2098951.88)
Add : Provision for Taxation- Fringe Benefit Tax		-	144,740.00
Provision for Current Tax -MAT		582,400.00	-
		2,964,354.45	(2,243,691.88)
Less : Earlier Year Excess F B T Provision		-	5.00
Profit/(Loss) after taxation		2964354.45	(2243686.88)

Note on accounts and significant accounting policies

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As per our report of even date
For Sudhakar Hegde & Co.,
Chartered Accountants

For and on behalf of Board of Directors

K.Sudhakar Hegde
Proprietor
Membership No.: 200007

Surendra Bhandari
Chairman

Sidharth Bhandari
Managing Director

Place: Bangalore
Date: 26.05.2010

Chinmaya Khatua
Company Secretary

K.Raghavendra Rao
Director (Finance)

SCHEDULES FORMING PART OF BALANCE SHEET

	figures in Rupees	
	As at 31.03.2010	As at 31.03.2009
SCHEDULE - A		
SHARE CAPITAL		
Authorised Capital		
65,00,000 Equity Shares of Rs. 10/- each	65000000.00	65000000.00
Issued,Subscribed and Paid-up Capital		
39,95,500 (39,95,500) Equity shares of Rs. 10 each fully paidup	39955000.00	39955000.00
12,85,800 (12,85,800) Equity shares of Rs. 10 each - 12858000		
Less: Allotment Money Due on 2,96,400 Equity Rs5/each 1482000	11376000.00	11376000.00
Forfeited Shares	2846500.00	2846500.00
Share Application Money Allotment Pending	449652.00	449652.00
TOTAL	54627152.00	54627152.00

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Hittco Tools Ltd.

SCHDEULE - B

SECURED LOANS

Term Loans from Financial Institution	0.00	600000.00
Term Loan from Banks	245657.02	742237.86
TOTAL	245657.02	1342237.86

SCHDEULE - C

UNSECURED LOANS :

Loan From Directors	9743097.27	7447061.27
Loan From Promoters	2845000.00	1395000.00
Loan From Others	8212090.48	5543578.83
TOTAL	20800187.75	14385640.10

Schdeule -D

Fixed Assets Schedule as on 31st March 2010

figures in Rupees

DESCRIPTION OF THE ASSETS	Rate of Deprn. %	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		01.04.2009	additons	Deletion	31.03.2010	01.04.2009	Adjustment	Deprn. For the year	31.03.2010	31.03.2010	31.03.2009
Factory buildings	3.34%	6193165.79			6193165.79	2349248.01		206852.00	2556100.01	3637065.78	3843917.78
Lease hold improvements	1.63%	528661.24			528661.24	104842.00		8617.00	113459.00	415202.24	423819.24
Plant and Machinery	4.75%	58458924.90	6398346.75		64857271.65	28077411.47		3050609.00	31128020.47	33729251.18	30381513.43
Office Equipments	4.75%	1410848.80	110166.50		1521015.30	525695.36		69678.00	595373.36	925641.94	885153.44
Furniture and fittings	6.33%	385611.70	180500.00		566111.70	186642.55		26893.00	213535.55	352576.15	198969.15
Computers	16.21%	1136025.00	230184.00		1366209.00	764927.13		206362.00	971289.13	394919.87	371097.87
Vehicles	9.50%	3050844.64	39000.00		3089844.64	1403843.55		291921.00	1695764.55	1394080.09	1647001.09
Grand Total		71164082.07	6958197.25	0.00	78122279.32	33412610.07		3860932.00	37273542.07	40848737.25	37751472.00

SCHEDULE - E

CURRENT ASSETS, LOANS & ADVANCES

1. INVENTORIES (as certified by the management)

(valued at Lower of cost or net realisable value)

Raw Materials	2406803.00	2526078.00
Finished Goods	5380445.00	3501045.00
Work -in- process	3437148.00	1200000.00
Stores, spares and consumables	1444951.00	926780.00
	12669347.00	8153903.00

2. SUNDRY DEBTORS

(unsecured considered good)

Less than Six months	9056575.74	5372101.15
More than Six months	1122355.39	1159581.23
	10178931.13	6531682.38

3. CASH AND BANK BALANCES

Cash on hand	76537.00	41424.00
Balances with scheduled banks		
--- in Current accounts	712499.43	246350.63
--- in Deposit accounts	26533.13	67896.00
	815569.56	355670.63
	23663847.69	15041256.01

LOANS AND ADVANCES

(unsecured and considered good)

Advances receiveable in cash or

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Hittco Tools Ltd.

in kind or for value to be received	3135631.66	3757301.97
Deposits	10216678.00	10212722.00
	13352309.66	13970023.97
TOTAL	37016157.35	29011279.98

SCHEDULE - F

CURRENT LIABILITIES & PROVISIONS

Sundry Creditors	12033222.40	3537321.92
Other Liabilities	3651970.08	2679292.43
Advance Received from Customer	290528.65	450271.76
Provision for FBT	00.0	144740.00
Provision for Income Tax (MAT)	582400.00	0.00
	16558121.13	6811626.11

HITCO TOOLS LTD

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

figures in rupees

	For the year ended 31.03.2010	For the year ended 31.03.2009
--	----------------------------------	----------------------------------

SCHEDULE- G

INTEREST AND OTHER INCOME

Export Incentive	170305.00	196718.00
Other Income	833662.02	7358.00
Provision Written Back	0.00	291624.00
Insurance Claims Received	0.00	50000.00
Exchange Gain (Net)	0.00	99031.00
Commission Received	1893239.00	0.00
Discount Received	0.00	4153.00
Sundry Creditors Written off	0.00	50298.27
Notice Period Salary	0.00	7700.00
Profit On Sale of Shares	0.00	0.00
Dividend Received	0.00	0.00
Interest Received	7259.13	7440.00
Sub Total	2904465.15	714322.27

SCHEDULE- H

INCREASE/(DECREASE) IN STOCKS

Opening Stocks

Work-in- process	1200000.00	103890.00
Finished Goods	3501045.00	1507667.00
	4701045.00	1611557.00

Less: Closing Stocks

Work-in- process	3437148.00	1200000.00
Finished Goods	5380445.00	3501045.00
	8817593.00	4701045.00
Increase/(Decrease) in Stocks	4116548.00	3089488.00

SCHEDULE - I

MATERIAL CONSUMED

Opening Stock of Rawmaterial, Consumables & Packing Materials	3452858.00	2151038.00
Add: Purchases during the year	18146532.66	16950022.07
Less: Closing Stock of Raw Material, Consumables & Packing Material	3851754.00	3452858.00
	17747636.66	15648202.07

SCHDEULE - J

MANUFACTURING AND OTHER EXPENSES

Salaries and Wages	11764217.00	9253072.00
Contribution to PF and Other funds	860115.00	851956.00
Staff Welfare Expenses	481386.96	390144.00
Insurance	88782.00	97494.00
Labour Charges	2466560.90	328584.00
Freight Outward	188544.00	218849.00
Electricity,Fuel and water	2415601.00	2234585.00
Repairs and maintenance	1184009.46	903842.00
Rent	766450.00	288700.00
Rates and Taxes	411452.82	300494.50
Printing and Stationery	585844.67	294129.00
Communication expenses	1146888.68	843194.00
Travelling and conveyance	2799738.00	1171777.00
Security Charges	450805.00	374165.00
Advertisement	99226.00	92120.00
Legal and Professional fees	715839.00	516271.08
Selling and distribution expenses	2872846.52	666035.92
Foreign Exchange Loss (Net)	68186.90	0.00
Other general expenses	222481.03	143185.00
Loss On Sale of Fixed Assets	0.00	364671.00
	29588974.94	19333268.50

SCHEDULE - K

INTEREST AND FINANCE CHARGES

Interest on Term Loans	50795.16	106830.00
Interest Others	242583.00	247700.00
Financial charges	64291.31	79579.58
	357669.47	434109.58

SCHDEULE - L

NOTE ON ACCOUNTS AND ACCOUNTING POLICIES

ACCOUNTING POLICIES

Accounts are prepared under the Historical Cost convention and comply with the applicable Accounting Standards. The significant accounting policies followed by the company are as follows :

a) Fixed Assets

Capitalised at acquisition cost including directly attributable cost. Interest and incidental expenditure during construction are also capitalised where appropriate. Expenditure incurred during construction period has been capitalised on a pro rata basis on the buildings, plant and machinery and Capital Work in progress on commissioning of the project.

b) Depreciation

Depreciation has been provided on the Straight Line Method in accordance with Schedule X IV of the Companies Act, 1956.

c) Inventories

Inventories are valued at lower of cost or net realisable value. Cost are determined on the basis of FIFO. Finished goods and Work in process include an appropriate share of overheads.

d) Retirement Benefits

Contributions to Provident Fund is charged to Profit and Loss account. The Company set up its own Gratuity Fund Trust and the Premiums are charged to Profit and Loss account. In relation to superannuation and leave salary, the Company complies with the Statutory requirements.

e) Provision for Current and Deferred Tax

Provision for Current Income Tax is made on the taxable income using the applicable tax rules and laws. Deferred Tax arising on account of timing difference and which are capable of reverse in one or more subsequent periods, is recognised using the tax rates and tax laws that have enacted or substantially enacted. Deferred Tax Assets are not recognised unless there is a sufficient assurance with respect to reversal of the same in future years.

f) Foreign Currency Transactions

Foreign exchange transactions are recorded at the exchange rates prevailing on the date of transactions. Outstanding foreign currency assets and liabilities are not on account of acquisition of fixed assets and are restated at year end rates. The net Loss/gain arising on such restatement/settlement is adjusted to the profit and loss account.

NOTES ON ACCOUNTS

	2009-2010	2008-2009	
1. Contingent Liabilities			
a) Bank Guarantee	26,533.00	67,896.00	
2) Expenditure in Foreign Currency			
Raw Materials	7,107,291.21	7,081,662.00	
Foreign Travel	954,920.00	823,563.00	
Advance Payment	155,360.95	534,426.00	
Business Promotion	30,120.84		
Capital Goods	6620051.75	-	
3) Earnings in Foreign Currency			
Export of goods on FOB basis	3,806,937.00	3,962,507.00	
Commission Received	1893239.00		
4) Director's remuneration			
Salary (Including Commission)	1,626,886.00	1,560,600.00	
PF	21,840.00	28,080.00	
5) Legal and Professional charges includes payments to Auditors : (Including Tax Deducted at source and Tax Audit Fee and other services)	63,423	63,423.00	
6) The balance of Sundry Creditors, Debtors and loan & advances are subject to confirmation.			
7) The Company has been accounting liability of excise duty on finished products lying in bonded godown as and when clearances are made. The liability in respect of such goods lying at the close of the current year will be quantified only on the date of clearance and has not been provided in the books of accounts and hence not included in the valuation of inventory of such goods. However, non-provision of excise duty as above has no effect on the profits and the net current assets.			
8) Particulars on small scale industries have been furnished to the extent such parties have been identified on the basis of information available with the company. The small scale Industries to whom the company owes any sum which is outstanding more than 30 days as on 31st March 2010- 1. Machine Elements 2. Indragith Industries 3. Prago Engineering 4. Prameen Industries 5. U Tech Rubber Products Pvt Ltd			
9) In accordance with AS -22 'Accounts for Taxes on Income' issued by ICAI, the Company has accounted for Deferred Tax during the year. The Company has significant amount of carried forward losses and unabsorbed Depreciation under the Income Tax Act. However, as a matter of prudence, Deferred Taxes Assets have been recognised only to the extent of Deferred Tax Liability. The Component of Deferred Tax Assets to the extent is recognised and Deferred Tax Liability as on 31st March 2010 are as follows :			
	As on 01.04.2009	Current Year	As on 31.03.2010
a) Deferred Tax Liability (related to Fixed Assets)	11,764,005.00	-	11,764,005.00
b) Deferred Tax Assets (related unabsorbed Depreciation/ losses/ disallowances as per I-T Act)	11,764,005.00	-	11,764,005.00
c) Net Deferred Tax Liability / (Assets)	Nil	Nil	Nil
10) Earning Per Share (EPS)	2009-2010		2008-2009
Profit After Tax	2,964,354.45		-2243686.88
No. of Equity Share of Rs.10/- each	5133100		5133100
EPS	0.577		-0.44
Diluted	-		-

11) Related party disclosures

Related party disclosures as required under AS-18 of ICAI are given below

Related Party	Relationship	Nature of Transaction	Volume of Transaction	Outstanding as on 31.03.10	written off/back
1. Sumasyab Trading Pvt Ltd	Associate Company	Loan repaid	18,919.35		
		Advance Paid	12,979.65	12,979.65	Nil
2. Hindustan Tools Corporation	Associate Proprietary	Rent	12,000.00	36,000.00	Nil
3. Indo European Machinery Co Pvt Ltd	Associate Company	Loan Accepted	1,675,000.00		
		Loan Repaid	2,000,259.00		
		Interest Paid	80,905.00	1,965,400.48	Nil
4. Madhu Bhandari	Director	Rent	108,000.00	162,000.00	Nil
		Loan	-	426,711.20	Nil
5. B I Holdings	Associate Company	Loan Accepted	1,450,000.00	2,845,000.00	Nil

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Hittco Tools Ltd.

6.Sidharath Bhandari	Director	Loan Accepted	400,000.00		
		Loan Repaid	2,003,964.00	312,386.07	Nil
7.Surendra Bhandari	Chairman	Loan Accepted	4,575,000.00	9,004,000.00	Nil
		Loan Repaid	675,000.00		
8.SMTPL	Associate Company	Loan Accepted	86,000.00		Nil
		Loan Repaid	139,000.00	3,181,000.00	
		Rawmaterial & Labour Charges Paid	2,813,742.00	2,224,840.00	
		Interest Paid	96,722.00		
9.Hittco Proprties Pvt Ltd	Associate Company	Loan Received	2,420,000.00	2,420,000.00	
10.B I Relators	Associate Company	Loan Accepted	405,000.00		
		Loan Repaid	9,310.00	395,690.00	
11.Hitech Prints (I) Pvt Ltd	Associate Company	Loan Accepted	250,000.00	250,000.00	

12) Licensed and Installed Capacity:

Product Name	: Drill bits & Taps
Licensed Capcaity	: Not Applicable
Installed Capacity Drills	: 48,00,000 pieces (48,00,000 pieces)
Taps	: 1,20,000 pieces (1,20,000 Pieces)

13) Particulars of Production, Sales and Closing Stock (Drill Bits and Taps)

Product	Opening Stock Qty (Nos.)	Production Qty (Nos.)	Sales		Closing Stock	
			Qty (Nos.)	Value (Rs)	Qty (Nos.)	Value
Drill Bits &Taps,	135513	2040430	1799733	48047364.37	376210.00	5380445.00
(Previous year)	(101385)	(1677493)	(1643365)	(21304688)	(135,513.00)	3501045.00

14) Details of Raw-materials consumption

Product	2009-2010		%	2008-2009		%
	Qty(kgs)	(Rs.)		Qty(kgs)	(Rs.)	
H.S.S. Steel-- Imported	6688	3796565	37	7732	6392792.00	62.50
-- Indigeneous	11590	6225690	63	7052	3835320.00	37.50
	18278	10022255	100	14784	10228112.40	100.00
CARBIDE -- Imported	2009-2010		%	2008-2009		%
	Qty(Units)	(Rs.)		Qty(kgs)	(Rs.)	
-- Indigeneous	9813	4274019	98	-	-	-
	179	164757	2	-	-	-
	9992	4438776	100	-	-	-

15 Value of Imports on CIF basis

Raw-materials **78,43,517.00 (Rs.7729472)**

16) Sundry Creditors under Current liabilities includes Rs.1,37,489.17/- (PY :Rs.2,26,584/-) due to SSI units.

17 Figures of previous year has been regrouped and reclassified wherever necessary.

As per our report of even date

**For Sudhakar Hegde & Co.,
Chartered Accountants**

**K.Sudhakar Hegde
Proprietor
Membership No.: 200007**

**Surendra Bhandari
Chairman**

**Sidharth Bhandari
Managing Director**

**Place: Bangalore
Date: 26.05.2010**

**Chinmaya Khatua
Company Secretary**

**K.Raghavendra Rao
Director (Finance)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	31.03.10 Rs	31.03.2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit after tax	2,964,354.45	(2,243,687.00)
Depreciation	3,860,932.00	3,534,353.00
Interest Received	(7,259.13)	(7,440.00)
Interest Paid	357,669.47	79,580.00
Operating Profit Before Working capital changes	7,175,696.79	1,362,806.00
Adjustemtns for:		
(Increase)/Decrease in Sundry Debtors	(3,647,248.75)	647,058.00
(Increase)/Decrease in Inventries	(4,515,444.00)	(4,391,308.00)
(Increase)/Decrease in Loans and advances	617,714.31	(1,372,008.00)
Increase/(Decrease) in Current Liabilities	9,746,495.02	(495,317.00)
Cash generated from operation	9,377,213.37	(4,248,769.00)
Cash Generation from operation		
Interest Received	7,259.13	7,440.00
Interest Paid	(357,669.47)	(79,780.00)
Net Cash From Operations	9,026,803.03	(4,320,909.00)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets (including Capital Work-in-progress and advances)	(13,884,870.91)	(928,914.00)
Sale of fixed Assets	0.00	914,671.00
Net Cash from Investing Activities	(13,884,870.91)	(14,243.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings Secured	(1,096,580.84)	(499,002.00)
Borrowings Unsecured	6,414,547.65	4,627,152.00
Net Cash Flow from Financing activities	5,317,966.81	4,128,150.03
NET CASH FLOWS DURING THE YEAR (A+B+C)	459,899.00	(207,002.00)
CASH AND CASH EQUIVALENTS (OPENING)	355,671.00	562,673.00
CASH AND CASH EQUIVALENTS (CLOSING)	815,570.00	355,671.00

For and on behalf of Board of Directors

Place: Bangalore
Date : 26.05.10

Sidharth Bhandari
Managing Director

We have examined the attached Cash Flow Statement of Hittco Tools Limited for the period ended 31st March 2010. The Statement has been prepared in accordance with the requirements of listing agreement clause 32 with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report to the members of the Company.

For Sudhakar Hegde & Co
Chartered Accountants
K.Sudhakar Hegde
Proprietor

Place: Bangalore
Date : 26.05.10

BALANCE SHEET ABSTRACT AND GENERAL PROFILE OF THE COMPANY

1	REGISTRATION DETAILS		
	REGISTRATION NO : L28939KA1995PLC01 6 8 8 8	STATE CODE: 0 8	BALANCE SHEET DATE 31.03.2010
2	CAPITAL RAISED DURING THE YEAR		
	PUBLIC ISSUE : N I L BONUS ISSUE : N I L	RIGHTS ISSUE : N I L PVT. PLACEMENT : N I L	
3	POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Lac Rupees)		
	TOTAL LIABILITIES : 918.73 SOURCES OF FUNDS APPLICATION OF FUNDS	TOTAL ASSETS : 918.73 SHAREHOLDERS FUNDS 471.87 FIXED ASSETS :408.49 MISCELLANEOUS EXPENDITURE	LOAN FUNDS :210.46 NET CURRENT ASSETS :204.58 PROFIT&LOSS A/C :(236.39)
4	PERFORMANCE OF THE COMPANY	INCOME : 551.02 EARNINGS PER SHARE : 0.58	EXPENDITURE : 515.55 DIVIDEND RATE % : NIL
5	GENERIC NAME OF PRINCIPAL PRODUCT OF COMPANY (as per monetary terms)		
	ITEM CODE NO. (ITC CODE) : 82.07	PRODUCT DESCRIPTION : DRILLS BITS	

Hittco Tools Limited
#42, Nandidurga Road, Bangalore - 560 046
PROXY FORM

Reg. Folio No.:

No. of Shares:

I/We.....of.....
.....in the district of..... being a members/members of the above named
Company hereby appoint..... of..... in the district ofor fail-
ing him ofin the district of.....as my/our proxy to
vote for me/us and on my/our behalf at the 16th Annual General Meeting of the Company to be held at
“SHANTALA” Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore 560 001
on Tuesday, the 7 th September, 2010 at 11.00 A.M. and at any adjournment thereof.

Signed this..... Day of September, 2010

Signature

Notes: Proxy Form in order to be effective should be completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.

Hittco Tools Limited
#42, Nandidurga Road, Bangalore - 560 046
ATTENDANCE SLIP

Reg. Folio No.:

No. of Shares held:

I certify that I am the registered Shareholder/Proxy for the registered Shareholder of the Company.

I hereby record my presence at the 16th Annual General Meeting of the Company to be held at “SHANTALA” Conference Hall, Ashiaya International Hotel, # 149, Infantry Road, Bangalore 560 001 on Tuesday, the 7 th September, 2010 at 11.00 A.M. and at any adjournment thereof.

.....
Member's / Proxy's name in BLOCK LETTER Member's /Proxy's Signature

Note : Please fill in this attendance slip and hand it over at the ENTRANCE OF THE VENUE.

BOOK - POST

If undelivered please return to :

Hittco Tools Limited

#42, Nandidurga Road, (above Cafe Coffee Day),
Bangalore- 560 046.

BOARD OF DIRECTORS	:	Mr. Surendra Bhandari-Chairman Mrs. Madhu Bhandari Mr. Sidharth Bhandari-Managing Director Mr. C.M. Datta Mr. Rajib Ghosh Roy Mr. K. Raghavendra Rao Mr. Joseph Mathai Mr. Rajeev G. Hassanand Mr. S.R. Satish Mr. N.K. Raghunath Mr. Vikram S Gupta				
COMPANY SECRETARY	:	Mr. Chinmaya Khatua				
STATUTORY AUDITORS	:	M/s. Sudhakar Hegde & Co. Chartered Accountants, Bangalore				
SECRETARIAL AUDITORS	:	M/s Swamy & Associates, Company Secretaries, Bangalore				
FINANCIAL INSTITUTION	:	M/s KSIIDC Ltd., Bangalore				
REGISTRAR & TRANSFER AGENTS	:	M/s Cameo Corporate Services Ltd. Subramaniam Building, #1, Club House Road, Chennai-600 002. Ph: 044-28460390				
PLANT	:	<table><tr><td>Unit-I</td><td>Unit-II</td></tr><tr><td>#78, III Phase, Peenya Industrial Area, Bangalore-560 058.</td><td>: #65, 1st Main Road II Phase, Peenya Industrial Area, Bangalore-560 058.</td></tr></table>	Unit-I	Unit-II	#78, III Phase, Peenya Industrial Area, Bangalore-560 058.	: #65, 1st Main Road II Phase, Peenya Industrial Area, Bangalore-560 058.
Unit-I	Unit-II					
#78, III Phase, Peenya Industrial Area, Bangalore-560 058.	: #65, 1st Main Road II Phase, Peenya Industrial Area, Bangalore-560 058.					
REGISTERED & CORPORATE OFFICE:		#42, Nandidurga Road, Bangalore- 560 046.				
BANKERS	:	HDFC Bank Ltd. & IndusInd Bank Ltd.				
NOTE	:	<i>No gift will be given in the AGM</i>				

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AN ISO 9001-2000 COMPANY

Hittco Tools Ltd.

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