

HITCO TOOLS LIMITED



Registered Office- HTC Aspire, 19, Ali Asker Road, 2nd Floor Bangalore- 560052
CIN: L28939KA1995PLC016888; website- www.hittco.com;
Email Id: cs@hittco.com; Contact No.: 080 4086 5062

26th September 2020

**To,
Manager – Listing,
Dept. Of Corporate Services,
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.**

Dear Sir/Madam

Ref: Scrip Code: 531661

Sub: 1. Regulation 34 - Revised copy of Annual Report of the 26th Annual General Meeting of the Company for the year 2019-20

Dear Sir / Mam,

This is further to our letter dt: 28.08.2020 regarding, inter-alia, convening of the 26th Annual General Meeting of the Company on Friday, 25th September 2020 through Video Conferencing / Other Audio Visual Means (VC /OAVM) Facility.

Please find enclosed revised copy of the Revised Annual Report for the year 2020 including the Audited Financial Statement for the year ended 31st March, 2020 ("Annual Report"). Annual Report will also be uploaded on the website of the Company at <http://www.hittco.com> and we request you to upload the same on your website <https://www.bseindia.com>

Company made changes in the agenda item to the notice of AGM through filing addendum to notice dt: 16.09.2020. Addendum to notice added to the Annual Report and accordingly changes are made in the Report.

Kindly take the same on record and acknowledge receipt of the same.
Thanking You!

Yours Faithfully,

For Hittco Tools Limited

(Shalini Kashyap)

Company Secretary & Compliance Officer

Mem. No. 32383



Hittco Tools Ltd.

TWENTY – SIXTH ANNUAL REPORT

2020

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. Surendra Bhandari (Chairman & MD)
Mrs. Madhu Bhandari
Mr. Sidharth Bhandari
Mr. Satish Ramarao Shimoga
Mr. Rajeev Gobindram Hassanand
Mr. Menezes Braganca Nikhil Fernando De
Mr. Biligere Shekar Prakash
Mr. Vikram Gupta
Mr. Yash Vardhan Bhandari (CFO and Director)
Mr. Rajib Ghosh Roy (CEO)

COMPANY SECRETARY AND COMPLIANCE OFFICER

Miss. Shalini Kashyap

STATUTORY AUDITORS

M/s. Mishra & Co.
Chartered Accountant

REGISTERED OFFICE:

HTC Aspire, 19, Ali Asker Road,
Bangalore – 560 052
Tel: 080 4086 5062

FACTORY:

#78/B, III Phase,
Peenya Industrial Area
Bangalore – 560 058

REGISTER AND SHARE TRANSFER AGENT:

Cameo Corporate Services Limited
“Subramanian Building”
No. 1, Club House Road,
Chennai – 600 002
Tel: 044 – 28460390
Email Id: cameo@cameoindia.com

Bankers:

Kotak Mahindra Bank Ltd.
Edelweiss financial services ltd
IndusInd Bank Ltd.
State Bank of India
HDFC Bank Ltd.
Edelweiss Finance Ltd.

AUDIT COMMITTEE:

Mr. Satish Ramarao Shimoga
Mr. Surendra Bhandari
Mr. Menezes Braganca Nikhil Fernando De

NOMINATION AND REMUNERATION COMMITTEE:

Mr. Satish Ramarao Shimoga
Mrs. Madhu Bhandari
Mr. Menezes Braganca Nikhil Fernando De

STAKEHOLDERS RELATIONSHIP COMMITTEE:

Mr. Satish Ramarao Shimoga
Mr. Surendra Bhandari
Mr. Menezes Braganca Nikhil Fernando De

NOTICE

Notice is hereby given that the 26th Annual general Meeting of Members of Hittco Tools Limited will be held on Friday, 25th September, 2020 at 11:00 AM (IST) through Video Conferencing ("VC") /Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statement of the Company for the Financial Year ended March 31st 2020, together with the Reports of the Board of Directors and Auditor's thereon.
2. To Re-appoint Mrs. Madhu Bhandari (DIN: 00353298), who retires by rotation and, being eligible, offer herself for re-appointment.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Madhu Bhandari (DIN: 00353298), who retires by rotation at this Annual General Meeting be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. To appoint M/s BSKN & Co., Chartered Accountants (Firm Registration No. 012666S) as Statutory Auditors of the Company and to fix their remuneration.

To consider and if thought fit, to pass, with or without modification the following Resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, (including any statutory amendment(s), modification(s), variation or re-enactment(s) thereof for the time being in force, M/s. BSKN & Co., Chartered Accountants (Firm Registration No. 012666S) be and are hereby appointed as Statutory Auditors of the Company in place of retiring Auditor, M/s Mishra & Co. (Firm registration Number - 012355S) to hold office for a period of 5 years from the conclusion of this Annual General Meeting till the conclusion of 31st Annual general Meeting on such remuneration as may be mutually decided by the Board of Directors of the Company and Auditors."

"RESOLVED FURTHER THAT the directors of the Company, be and are hereby authorized, jointly and severally to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

SPECIAL BUSINESS:

4. To Re-Appoint Mr. Surendra Bhandari as Managing Director and, in this regard, to consider and if thought fit, to pass with or without modification the following Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment (s) thereof, for the time being in force) read with Schedule V to the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 consent of the Members be and is hereby accorded for Re-appointment of Mr. Surendra Bhandari (DIN: 00727912), who has attained the age of 70 years, as Managing Director of the Company, not liable to retire by rotation, for a period of Five (5) years with effect from 12th November, 2019 on such terms and conditions including the remuneration as set out in the statement annexed to the Notice, with liberty to the board of directors (hereinafter referred to as the "the Board" which term shall include the Human Resources, Nomination and Remuneration Committee of the Board to

increase, alter and vary, without further reference to the Members, and payment in the event of inadequacy of profits in any financial year, as may be agreed to between the Board of Directors and Mr. Surendra Bhandari.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. Appointment of Mr. Yash Vardhan Bhandari as Executive Director.

To consider and if thought fit, to pass, with or without modification the following Resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), Consent of the members be and is hereby accorded for appointment of Mr. Yash Vardhan Bhandari as Executive Director of the Company w.e.f. 22 May, 2020 on such term and conditions, as may be agreed to between the Board of Directors and Mr. Yash Vardhan Bhandari.”

**By order of the Board of Directors
HITCO TOOLS LIMITED
Sd/-**

**Shalini Kashyap
Company Secretary and Compliance Officer**

**Date: 28/08/2020
Place: Bangalore**

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the ordinary business under item Nos. 2 & 3 and special business under item Nos. 4 & 5 of the accompanying Notice of the AGM, is annexed hereto. The Board of Directors of the Company at its meeting held on 28.08.2020 considered that the special business under item Nos. 4 & 5, being considered unavoidable, be transacted at the 26th AGM of the Company.
2. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 05, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) / Other Audio- Visual Means (“OAVM”), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through. The said Resolution/Authorization shall be sent to the Scrutinizer by email to its registered email address i.e. csmanjeet4@gmail.com with a copy marked to evoting@nsdl.co.in

5. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
6. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in
7. physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Transfer Agents - M/s. Cameo Corporate Services Limited for assistance in this regard.
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participant in case the shares are held in electronic form and to M/s. Cameo Corporate Services Limited, in case the shares are held in physical form.
9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members by writing an e-mail to the Company Secretary at investors@hittco.com.
10. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
11. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
12. Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the 26th AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email address investors@hittco.com at least 7 days in advance before the start of the meeting i.e. by 17th September 2020. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.

13. DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice and the Annual Report 2019-20 will also be available on the Company's website at www.hittco.com, on the website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and on the website of Registrar and Transfer Agent, Cameo Corporate Services Limited at <https://cameoindia.com> and on the website of NSDL <https://evoting.nsdl.com/>

14. **National Securities Depository Limited** ("NSDL") will be providing facility for voting through remote e-Voting, for participation in the 26th AGM through VC/OAVM Facility and e-Voting during the 26th AGM.
15. For receiving all communication (including Annual Report) from the Company electronically:
 - (a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company's registrar Cameo Corporate Services Limited with details of folio number and attaching a self-attested copy of PAN card to Cameo Corporate Services Limited at cameo@cameoindia.com
 - (b) Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participant.

16. The Register of Members and the Share Transfer Books of the Company will remain closed from September 19, 2020 to September 25, 2020 (both days inclusive).

17. PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

The Company will provide VC / OAVM facility to its Members for participating at the AGM.

- a) Members need a computer with an Internet connection (high speed service such as DSL or cable works best) and speakers
 - (i) Compatible Browser list: Google Chrome 50 | Microsoft Edge | Internet Explorer 10 & above / Firefox / Safari / Opera
 - (ii) Video Buffering/Video Stuck but not audible: Check on the Internet Connection, Check whether you have sufficient bandwidth for viewing the Same, To check whether if you have sufficient bandwidth for viewing the same, click on the system check tab or visit speed test.net Minimum Internet Speed should be 10 MBPS with the Upload and Download Ratio of 1:1
 - (iii) Allow third party cookies
 - (iv) You may also use a headset instead of speakers
 - (v) Please refresh your browser (for laptop / desktop kindly press CTRL+F5)
- b) Members will be able to attend the AGM through VC / OAVM through the NSDL e-voting system at <https://evoting.nsdl.com> under shareholder / member login by using their e-voting login credentials.
- c) follow the procedure given below:
 - I Enter the login credentials (i.e., User ID and password for e-voting).
 - II After successful login shareholder will be able to see the home page of NSDL e-Voting system.
 - III Shareholder has to click on "Active Evoting Cycles"
 - IV Shareholder will be able see all active evens for which voting is live as well as AGM is scheduled to be held. He has to click on the respective EVEN (VC Link) for which he wants to vote. After successfully joining the meeting, the shareholder will be allowed to vote.
 - V Shareholder will be able to join the meeting and pose questions if he/she wishes to do so. After registration he can view AGM by playing the video
- e) Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the E-voting instructions.

18. Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis.

19. Facility to join the meeting shall be opened thirty minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.

20. In compliance with the provisions of Section 108 of the Act, read with the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

21. INSTRUCTION FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:

- a. The remote e-voting period commences at 9.00 AM (IST) on Tuesday, September 22, 2020 and ends at 5.00 PM (IST) on Thursday, September 24, 2020. During this period, Members holding shares either in physical or de-materialized form as on the Cut-off / Record Date i.e., Friday, September 18, 2020, may cast their votes electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member

- b. shall not be allowed to change it subsequently. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their votes on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- c. A person who is not a Member as on cut-off date should treat this Notice of 26th AGM for information purpose only.
- d. The Company has appointed M/s. Manjeet & Associates., Company Secretaries (Membership No. ACS 39692) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process, in a fair and transparent manner.
- e. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- f. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on September 18, 2020 ("Cut-Off Date").
- g. **E-voting Instructions:** The details of the process and manner for remote e-voting are explained herein below:

Step-1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

- i) Visit the e-voting website of NSDL. Open up browser by typing the following URL: <https://evoting.nsdl.com> either on a Personal Computer or on a mobile.
- ii) Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- iii) A new screen will open. You will have to enter your User ID and a Verification Code as shown on the screen and click on "Login".
- iv) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company. For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- v) Your password details are given below:

- i. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- ii. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- iii. How to retrieve your 'initial password'?
 - a) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox from evoting@nsdl.com. Open the email and open the

attachment i.e. .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- b) If your email ID is not registered, please follow steps mentioned below in process for those members whose email ids are not registered.
- vi) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password, click on:
 - i. "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - ii. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - iii. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - iv. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 - v. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 - vi. Now, you will have to click on "Login" button.
 - vii. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

- I. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
 - II. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
 - III. Select "EVEN" of the Company.
 - IV. Now you are ready for e-Voting as the Voting page opens.
 - V. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and "Confirm" when prompted.
 - VI. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - VII. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 - VIII. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
21. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4Th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, at the designated email IDs: evoting@nsdl.co.in or pallavid@nsdl.co.in

or at telephone nos. : +91-9920264780 or +91-22-24994545 who will also address the grievances connected with the voting by electronic means.

22. Process for those Members whose email ids are not registered for procuring user id and password and registration of email ids for e-Voting on the resolutions set out in this Notice:

- a. Those Members, who hold shares in physical form or who have not registered their email address with the Company and who wish to participate in the 26th AGM or cast their vote through remote e-Voting or through the e-Voting system during the meeting, may obtain the login ID and password by sending scanned copy of: i) a signed request letter mentioning your name, folio number and complete address; and ii) self-attested scanned copy of the PAN card and self-attested copy of AADHAR Card in support of the address of the Member as registered with the Company to Registrar and Transfer Agents.
- b. Those Members, who hold shares in demat mode, please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP

23. Other Guidelines for Members

- a. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
- b. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 26th AGM by email and holds shares as on the cut-off date i.e. 18th September 2020, may obtain the User ID and password by sending a request to the NSDL at mail id evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com.
- c. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
- d. The Scrutinizer shall after the conclusion of e-Voting at the 26th AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 26th AGM, who shall then countersign and declare the result of the voting forthwith.
- e. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at <http://www.hittco.com/> and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013.**Item No -2**

Pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the Company's Articles of Association, not less than two thirds of the total number of Directors of the Company shall be liable to retire by rotation. One third of these Directors must retire from office at each Annual General Meeting, but each retiring director is eligible for re-election at such meeting. Mrs. Madhu Bhandari retire by rotation at this Annual General Meeting and being eligible, has offered herself for re-appointment.

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

Item No – 3

M/s Mishra & Co., Chartered Accountants was appointed as Statutory Auditor of the Company in the Annual General Meeting held on 30th September 2015. In terms of the first provision to Section 139 of the Companies Act, 2013, their term of office expires on the date of the ensuing Annual General Meeting.

As per the provision of Section 139(2) of the Companies Act, 2013 an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same listed company for five years from the completion of his term.

The Board of Directors has proposed the appointment of M/s BSKN & Co., Chartered Accountants as the statutory Auditor of the company for a term of five years in place of M/s Mishra & Co.

None of the Company's Directors, Key Managerial Personnel or their relatives has any concern or interest, financial or otherwise, in this resolution.

Item No-4

In terms of the Companies Act, 2013 and Rules made thereunder, Mr Surendra Bhandari (DIN: 00727912) was appointed as Managing Director of the Company for a period of five consecutive years with effect from 03.09.2014. On the recommendation of the Nomination and Remuneration Committee and subject to approval of the Members, the Board of Directors of the Company at its meeting held on 12.11.2019, approved re-appointment of Mr Surendra Bhandari as Managing Director of the Company for another term of five consecutive years effective from 12.11.2019 on the terms and conditions of re-appointment including remuneration as set out in the draft agreement for re-appointment.

Mr Surendra Bhandari has attained the age of 74 years on 03.03.2020 and hence continuation of his employment as Chairman and Managing Director requires the approval of members by way of a special resolution.

Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a special resolution.

Keeping in view that Mr. Surendra Bhandari has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time, it would be in the interest of the Company to continue the employment of Surendra Bhandari as Chairman and Managing Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Surendra Bhandari as Managing Director, for the approval by the shareholders of the Company

The material terms of re-appointment and remuneration as contained in the draft agreement are given below: -

- I) Basic Salary: INR 65,000/- per month with annual increments effective 01st April every year (Starting April 2021) as may be decided by the Board, based on the recommendation of Nomination and Remuneration Committee, which is based on merit and Company's performance.
- II) Other Perquisites and allowances subject to a maximum of INR 35,000/- per month:
- III) Contribution to provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the rules of the Company.

Others:

The terms and conditions of the remuneration of the Managing Director as stated above can be altered or varied from time to time by the Board of Directors at its discretion, so as not to exceed the limits specified under Section 197 read with Schedule V to the Companies Act, 2013."

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

Item No.5

Mr. Yashvardhan Bhandari (holding DIN 06688573), was appointed as an Executive Director of the company by the board in the meeting held on 22.05.2020 subject to the approval of the members at the subsequent AGM.

Based on recommendation of Nomination and Remuneration committee and in term of provision of the companies act, 149, 150 and 152 read with other applicable provision of act and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, Mr. Yashvardhan Bhandari, is proposed to be re-appointed as an Executive Director of the Company.

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

ANNEXURE TO THE NOTICE

Information required to be furnished as per the Companies Act and regulation 36 of SEBI (LODR) 2015, the particulars of Directors who are proposed to be appointed/ re-appointed are given below:

Name of Director	Mr. Surendra Bhandari	Mr. Yashvardhan Bhandari	Mrs. Madhu Bhandari
DIN	00727912	06688573	00353298
Date of Birth	03.03.1946	28/03/1995	11/04/1947
Date of Appointment	04.01.1995	18/12/2017	27/02/2013
Qualification	B.Sc.	B.A. (Hons) Global Management	B. A
Expertise in specific functional areas	He possesses good business sense and administrative capabilities and having experience of more than twenty five years.	He has knowledge of managing the business globally.	She is having experience of more than Seven years in business management
List of other Listed Companies in which Directorship held (excluding in Foreign companies)	NIL	NIL	NIL

Chairman/Member of Committees the Board of Directors of other Company.	NIL	NIL	NIL
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company.	16.25 %	1.93 %	1.14%

By order of the board
HITCO TOOLS LIMITED
Sd/-

Place: Bangalore
Date: 28.08.2020

Shalini Kashyap
Company Secretary & Compliance Officer

ADDENDUM TO THE NOTICE OF 26TH ANNUAL GENERAL MEETING

HITCO TOOLS LIMITED ("The Company") had issued a Notice (Original Notice), dated August 28, 2020 of the 26th Annual General Meeting (AGM) to be held on Friday, September 25, 2020 at 11.00 A.M at the registered office of the Company at HTC ASPIRE - 19, ALI ASKER ROAD, 2ND FLOOR BANGALORE - 560052, to transact five business items (3 Ordinary Business and 2 Special Business) as specified in the said notice. Further to the above, Notice is hereby given that at the said meeting following Special business will be transacted and ordinary business no. 3 is withdrawn by the Company.

SPECIAL BUSINESS:

Item: 6 To appoint M/s DTSB AND ASSOCIATES., Chartered Accountants (Firm Registration No. 329277E) as Statutory Auditors of the Company and to fix their remuneration.

To consider and if thought fit, to pass, with or without modification the following Resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, (including any statutory amendment(s), modification(s), variation or re-enactment(s) thereof for the time being in force, M/s DTSB AND ASSOCIATES., Chartered Accountants (Firm Registration No. 329277E) be and are hereby appointed as Statutory Auditors of the Company in place of retiring Auditor, M/s Mishra & Co. (Firm registration Number - 012355S) to hold office for a period of 5 years from the conclusion of this Annual General Meeting till the conclusion of 31st Annual general Meeting on such remuneration as may be mutually decided by the Board of Directors of the Company and Auditors."

"RESOLVED FURTHER THAT the directors of the Company, be and are hereby authorized, jointly and severally to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of Item No – 6 as set out in the Notice is annexed hereto.

M/s Mishra & Co., Chartered Accountants was appointed as Statutory Auditor of the Company in the Annual General Meeting held on 30th September 2015. In terms of the first provision to Section 139

of the Companies Act, 2013, their term of office expires on the date of the ensuing Annual General Meeting.

As per the provision of Section 139(2) of the Companies Act, 2013 an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same listed company for five years from the completion of his term.

The Company is in receipt of the special notice from a member proposing the appointment of M/s DTSB AND ASSOCIATES as statutory Auditor of the Company

After considering the notice of shareholders and on the recommendation of Audit Committee, The Board of directors in their meeting held on 15.09.2020 had appointed DTSB AND ASSOCIATES, Chartered Accountants, as Statutory Auditor of the Company, subject to the approval of shareholders.

None of the Company's Directors, Key Managerial Personnel or their relatives has any concern or interest, financial or otherwise, in this resolution.

Brief Profile

M/s DTSB AND ASSOCIATES having Firm Registration No. - 329277E with 5 years' experience in the field of professional Services is registered with The Institute of Chartered Accountants of India. The Head office of the firm is at 148, 1ST Floor, Sri Guru Raghavendra Complex, Rajarajeshwarinagar, Bangalore - 560098. The Firm is having specialization in various Areas of Audit, Accounting, Finance, Taxation, Company formation, ROC. Firm is a CAG and RBI empanelled Chartered Accountant, established with the aim of providing a wide range of services to the clients and aspires to be recognized as a quality service provider globally.

Branch:

Firm is having 4 branches all over India.

Partners:

The firm has 4 Partners specialized in horizon of Chartered Accountancy profession.

Remuneration: Total remuneration will be provided to auditor Rs. 80,000/-

Place: Bangalore

Date: 16.09.2020

**By order of the board
Sd/-**

**(Surendra Bhandari)
Managing Director**

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the 26th Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2020.

FINANCIAL RESULTS:

(Rs. In Lakhs)

Particulars	2019-20	2018-19
INCOME:		
Sales	563.78	712.60
Other Income	11.18	1.16
Total (A)	574.96	713.76
EXPENSES:		
Cost of Material Consumed	206.02	252.14
Changes in inventories of finished goods, work in progress and stock-in-trade	22.47	43.18
Employee benefit expenses	157.95	156.03
Interest and Financial Charges	39.18	36.41
Other expenses	162.64	154.34
Total (B)	588.26	642.10
Profit before Depreciation and Tax (C) = (A) - (B)	(13.32)	71.66
Depreciation and amortization expenses	71.42	70.03
Profit after Depreciation	(84.74)	1.63
Exceptional items – Net Income / Expenditure	0	.27
Profit before Tax	(84.74)	1.90
Provision for Tax	.31	(13.50)
Profit for the period from continuing operation	(85.05)	15.40
Other comprehensive income (Re-measurement of defined benefit obligation / Assets)	(2.27)	(6.42)
Profit / (Loss) after Depreciation and Tax	(87.32)	8.98
Earnings Per Share (Basic)	(1.45)	0.15
Earnings Per Share (Diluted)	(1.45)	0.15

OPERATIONS AND BUSINESS PERFORMANCE:

During the year under review the income of the Company decreased to Rs.574.96 lakhs during the year 2019-20 as against Rs.713.76 lakhs during the previous year 2018-19. The Export Sales for the year 2019-20 is Rs. 25.25 lakhs compared to Rs. 37.90 lakhs in the previous financial year 2018-19. Regarding accountability and governance, your company continue to ensure an environment of transparency and responsibility while aiming for the highest standard of corporate governance and trust.

COVID-19:

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lockdowns of all economic activity. Company's Operations at its manufacturing plants and other locations had to be temporarily suspended from March 23, 2020 as per the directives of the Government of India and relevant State Governments and keeping in mind the paramount need

of safety of the employees. For the employees at Corporate Office at Bangalore, the Company has adopted work from home policy during the entire duration of the lockdown, and Employees who are attending the office for certain critical tasks, have been advised to follow all safety precautions like mandatory wearing of mask, use of hand sanitizer, social distancing, non-use of air conditioners etc. Some of the key markets for the Company are affected by COVID crisis.

EXTRACTS OF ANNUAL RETURN:

As provided under Section 92(3) of the Companies Act, 2013, extract of the Annual Return prepared in Form MGT-9, pursuant to Rule 12 of the Companies (Management and Administration Rules) 2014 is furnished in Annexure –5, which form part of the this report. The extract of the Annual Return for 2019-20 in Form MGT-9 is also placed on the website of the Company and can be accessed at <http://hittco.com>

STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS:

The company has received declaration from all the independent director of the company confirming that they meet the criteria of the independence as prescribed under Section 149 (6) of the Companies Act 2013 and Regulation 16(1) (b) of SEBI (LODR), 2015.

CORPORATE GOVERNANCE:

Your Company has made every effort to comply with the provision of the Corporate Governance and to see that the interest of the shareholders and the Company are properly served. Report on corporate Governance as stipulated under Regulation 15 (2) SEBI (LODR) Regulation, 2015 form part of the Annual report and attached to this report as Annexure 3. The requisites certificate from the auditor of the company confirming the compliance with the condition of corporate governance as stipulated under the aforesaid SEBI (LORD) Regulation, 2015 is attached to this report as Annexure 4.

MANAGEMENT DISCUSSION & ANALISYS REPORT:

A review of the performance of the Company is provided in the Management Discussion & Analysis Report for the year under review, as stipulated under SEBI (LORD) Regulation, 2015, is presented in a separate section forming part of the Annual Report and annexed herewith as annexure 2.

DIVIDEND:

The Board is unable to recommend any Dividend for the year under review due to not having enough profit.

TRANSFER TO RESERVES

The closing balance of the retained earnings of the Company for FY 2020, after all appropriation and adjustments was Rs. (586.98).

SHARE CAPITAL:

The paid-up Equity Share Capital of the Company as on March 31, 2020 was Rs. 6,15,98,470/- During the year under review, the Company has neither issued any shares nor granted stock options and sweat equity.

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE REPORT

During the year under review, no company have become or ceased to be company's subsidiaries, joint ventures, or associate companies.

MATERIAL CHANGES AND COMMITMENTS:

There were no material change and commitment affecting the financial position of the company occurring between the end of financial year and the date of the report.

DIRECTORS RESPONSIBILITY STATEMENT:

In terms of Section 134 (3) (c) of the Companies Act, 2013 and to the best of their knowledge and belief, and according to the information and explanation provided to them, Your Directors state that:

- a) In the preparation of the annual account for the year ended March 31, 2020, the applicable accounting standard have been followed along with proper explanation relating to material departure if any.
- b) Such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2020 and the profit of the company for the year ended on that date.
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) The financial statements have been prepared on a going concern basis.
- e) Proper internal financial controls were in place and the financial controls were adequate and operating effectively; and
- f) The system to ensure compliance with the provision of all applicable laws were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

None of the Directors of your Company are disqualified as per provisions of Section 164(2) of the Companies Act, 2013 and your Directors have made necessary disclosure as required under various provisions of the Companies Act, 2013. During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting / committee fees for attending board / Committee Meeting of the Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Article of Association, Mrs. Madhu Bhandari, director of the Company, retire by rotation in ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

Mr. Surendra Bhandari was appointed as Managing Director for a period of five years. On the recommendation of the Nomination and Remuneration committee board has appointed him as Managing Director on 12.11.2019 for a further period of five year subject to the approval of members in the ensuing Annual General Meeting.

The Board of directors recommend for the approval of the members, the re-appointment of Mr. Surendra Bhandari for a further period of five year.

Mr. Yashvardhan Bhandari (holding DIN 06688573), was appointed as an Executive Director of the company by the board in the meeting held on 22.05.2020 subject to the approval of the members at the subsequent AGM.

Mr. Rajib Ghosh Roy resigned from the post of whole-time director of the Company w.e.f. 22.05.2020.

Composition of Key Managerial Personnel during the year ended 31st March 2020:

S. No.	Name	Designation
1.	Mr. Surendra Bhandari	Managing Director
2.	Mr. Rajib Ghosh Roy	Chief Financial Officer
3.	Miss. Huma M Tamatgar	Company Secretary

Miss Huma M Tamatgar resigned from the post of Company Secretary of the Company w.e.f. 25.06.2020 and Miss. Shalini Kashyap was appointed as the Company Secretary of the Company w.e.f. 06.07.2020.

Mr. Rajib Ghosh Roy resigned from the post of Chief Financial Officer of the Company w.e.f. 22.05.2020 and appointed as Chief Executive Officer w.e.f. 22.05.2020.

Mr. Yashvardhan Bhandari was appointed as Chief Financial Officer of the company by the board in the meeting held on 22.05.2020.

MEETING OF THE BOARD:

Eight meeting of the board of directors were held during the year under review. Details of the same are mentioned below:

S. No.	Date of Meeting	Directors associated as on the date of Meeting	Attendance	
			No. of Director	% of attendance
1.	01.04.2019	9	8	80.88
2	29.05.2019	9	8	80.88
3.	01.07.2019	9	9	100
4.	13.08.2019	10	9	90
5.	03.09.2019	10	9	90
6.	15.10.2019	10	9	90
7.	12.11.2019	10	7	70
8.	29.01.2020	10	10	100

Audit Committee:

The composition, function and procedure of the Audit Committee and Nomination and Remuneration Committee are in conformity with the requirement of Section 177 & 178 of the Companies Act, 2013. During the year under review, the Board accepted all the recommendation made by the Audit Committee of the Board. The Audit Committee met 4 times and **Nomination and Remuneration Committee** met three times in the year under review on the following dates:

S. No.	Date of Meeting	No. of Members associated on the date of Meeting	Attendance	
			No. of Member	% of Attendance
1.	29.05.2019	3	3	100
2.	13.08.2019	3	3	100
3.	12.11.2019	3	3	100
4.	29.01.2020	3	3	100

Nomination and Remuneration Committee:

S. No.	Date of Meeting		Attendance
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		No. of Members associated on the date of Meeting	No. of Member	% of Attendance
1.	29.05.2020	3	3	100
2.	13.08.2019	3	3	100
3.	12.11.2019	3	3	100

PERFORMANCE EVALUATION OF THE BOARD:

Pursuant to the provision of Section 134 of the companies Act, 2013 and regulation 17 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, the board has carried out an annual performance Evaluation of its performance, the director individually as well as the evaluation of its Audit, Nomination and Remuneration and Other committee. The manner in which the evaluation has been carried out has been explained in the corporate governance report. The independent directors are regularly updated on the industry and market trends, plants and process and operation performance of the company through presentations in this regard and periodic plant visit. They are also periodically kept aware of the latest development in the corporate governance, their duties as a director and relevant laws. The performance of the Board was evaluated by the board after seeking inputs from all the directors on the basis of factors which includes Active participation, financial literacy, contribution by

Directors, Positive inputs, effective deployment, knowledge & expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement. In the meeting of Independent Directors performance of Non-independent Directors, Board and performance of the Chairman was evaluated. The performance of independent director was carried out by the entire board.

At the conclusion of the evaluation exercise, the members of the Board accessed that the Board together with each of its committees was working effectively in performance of its key functions.

NOMINATION & REMUNERATIONN POLICY:

In adherence to the provisions of Section 134(3) (e)and 178 (1) & (3) of the Companies Act, 2013, the Board of Directors on the recommendation of the Nomination and Remuneration Committee approved the policy to govern the appointment /Nomination of Directors, KMP and Other Senior Management and their remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided. The aforesaid policy can be accessed on the Company's website at <http://www.hittco.com>

INTERNAL FINANCIAL CONTROLS:

The company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed. Further the testing of such controls was also carried out independently by the internal auditor for the financial year 2019 -2020. In the opinion of the Board, the existing internal control framework is adequate and commensurate with the size and nature of the business of the Company. The details in respect of internal financial control and their adequacy are included in the management and discussion & analysis report, which forms part of this report.

AUDITORS AND AUDITORS REPORT:

Statutory Auditors

At the Annual General Meeting held on 30th September 2015, M/s Mishra & Co., Chartered Accountants, were appointed as Statutory Auditor of the Company for the terms of 5 years to hold office till the conclusion of ensuing Annual General Meeting. In terms of the first provision of Section 139 of the Companies Act, 2013, their term of office expires on the date of the ensuing Annual General Meeting.

As per the provision of Section 139(2) of the Companies Act, 2013 an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same listed company for five years from the completion of his term.

In this regard, the Company has received a certificate from M/s M/s DTSB AND ASSOCIATES., Chartered Accountants (Firm Registration No. 329277E) to the effect that if they are appointed, as statutory auditor of the Company, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Board of Directors has proposed the appointment of M/s DTSB AND ASSOCIATES., Chartered Accountants, as the statutory Auditor of the company, subject to shareholder approval, pursuant to section 139 of the Companies Act, 2013 on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditor M/s DTSB AND ASSOCIATES, Chartered Accountants.

Statutory Auditor's Report

Auditor Qualification

Notes to accounts referred to in the Auditor's Report are self – explanatory and therefore, do not call for any further explanation. However the following has not been recognized as explained below:

Auditors Comment:

1. The finished goods and work in progress have been valued at estimated cost. We are unable to obtain Sufficient and appropriate audit evidence about approximation of the estimated cost to the actual cost. As Required by the Ind AS - 2 "Inventories" from the records maintained by the company. Consequently, we are unable to determine the impact of the same on the financial statements for the year end 31st March 2020.

Director View on Auditor Adverse remark:

The company has maintained proper book of account including inventory and the same has been provided to statutory auditor during the audit. Hence the view of audit qualification is unnecessary.

2. Balance confirmations have not been received from Trade receivables, Other Financial assets and Other Financial liabilities against balance outstanding as on 31st March 2020. In the absence of such confirmations, we are unable to comment on the impact arising out of reconciliation/ adjustments, if any, on the financial statements for the year end 31st March 2020.

Director View on Auditor Adverse remark:

The company has maintained proper book of account and same has been provided to statutory auditor during the audit. Balance confirmations provided to auditor. Hence the view of audit qualification is unnecessary.

3. Confirmation for balances of fixed deposits mentioned below have not been provided for our verification.

Particulars	Amt. in INR
Fixed Deposit-Margin For Bank Guarantee -EPCG	7,62,296
Kotak LC Margin	15,94,901

Total	23,57,197
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Director View on Auditor Adverse remark:

These FD's are closed and have been utilized already. Auditor has not provided any guidelines for adjustment of the same

SECRETARIAL AUDITOR AND REPORT:

Secretarial Auditor

Pursuant of the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, M/s. Manjeet & Associates, Company Secretaries, have been appointed as Secretarial Auditors of the Company for the year 2019-20. The Secretarial Audit report for the financial year ended March 31, 2020 is annexed to this report as Annexure – 5.

Secretarial Auditors Report:

The observation in Secretarial audit report are self -explanatory and therefore does not call for any further explanation.

COST AUDITORS:

The provision of Section 148(1) does not apply to the Company, hence the Company is not required to maintain the cost records.

RISK MANAGEMENT:

The Company has a mechanism to identify, assess, monitor, and mitigate various risks to its key business objective. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis. However, as per the listing regulation, constitution of Risk Management Committee for enforcing Risk Management Policy is not applicable to the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE:

No significant and material orders were passed by the Regulators or Courts or Tribunal which impact the going concern status and future operations of the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

As the Company does not fall under any of the threshold limits given under Section 135 of the Companies Act, 2013, the provision of Corporate Social Responsibility is not applicable to the Company.

CONTRACTS AND ARRANGEMENT WITH RELATED PARTIES:

All related party transaction that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There is no material contract or arrangement in accordance with the requirement of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015.

There is no materially significant related party transactions made by the company with the Promoter, Director, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the company at large. All related party transaction is placed before the audit committee and given in the notes annexed to and forming part of this financial statement.

VIGIL MECHANISM POLICY:

The company has a vigil mechanism / Whistle Blower policy to deal with the instance of fraud and mismanagement, if any. It provides opportunities to the directors, employees and any other person dealing with the company to report in good faith to the management about the unethical and improper

practices, fraud or violation of Company's code of conduct. The vigil mechanism under the policy also provides for adequate safeguard against victimization of employee and directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional Cases. The Company affirms that none of the personnel of the Company has been denied access to the Audit Committee. The details of the vigil mechanism policy is explained in the Corporate Governance Report.

PUBLIC DEPOSITS:

During the year under review, the Company has not accepted/renewed any deposit from the public within the meaning of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclose under the act are provided in Annexure1.

PARTICULAR OF LOAN GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:

During the financial year 2019-20 the company has neither made any investment nor given any loans or guarantee covered under the provision of section 186 of the Companies Act, 2013. Detail of loans,

Guarantee and investment covered under section 186 of the companies Act, 2013 are given in the notes to the financial statements.

PERSONNEL RELATIONS:

The Company considers human capital as a critical asset and success factor for smooth organizational workflow. Your directors hereby place on record their appreciation for the service rendered by the executives, staff, and workers of the Company for their hard work, dedication, and commitment. During the year under review, relations between the employee and the management continued to remain cordial.

PARTICULAR OF EMPLOYEES AND RELATED DISCLOSURE:

No employee of the Company had drawn salary in excess of the limits specified under Section 197(12) of the Companies Act, 2013 and the rule 5 of the company (Appointment and Remuneration of managerial personnel) rules 2014 and read with the Companies (Particulars of Employees) Rules, 1975.

LISTING ON STOCK EXCHANGE:

The Company's shares are listed on the Bombay Stock Exchanges, Mumbai. The Company has paid the listing fee to the stock exchange for the financial year 2019-20 and has complied with all the requirement of the listing regulations.

DISCLOSURE AS REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSEL) ACT 2013:

There were no instances of Sexual Harassment that were reported during the period under review.

SECRETARIAL STANDARD:

The Company complies with all applicable mandatory secretarial standard issued by the Institute of Company Secretaries of India.

CODE OF CONDUCT:

The Company has adopted the code of conduct for all Board members and Senior Management as required under Regulation 17 of the Listing Regulations. All Board Members and Senior Management personnel have affirmed compliance with the code on an annual basis and a declaration to this effect signed by Mr. Rajib Ghosh Roy, CEO of the Company, forming part of this report.

CAUTIONARY NOTE:

Statement in this Management Discussion Analysis Report describing the Company's objectives, projections, estimates and expectations may be forward looking statement within the meaning of applicable laws and regulation. Actual results may differ substantially or materially from those expressed or implied. Important development that could alter your Company's performance include increase in material costs, technology development and significant changes in political and economic environment tax laws and labor relations.

ACKNOWLEDGEMENTS:

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

The Directors regret the loss due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

For and on behalf of the Board of Directors

HITCO TOOLS LIMITED

Sd/-
(Surendra Bhandari)
Managing Director
DIN: 00727912

Sd/-
(Madhu Bhandari)
Director
DIN: 00353298

Place: Bangalore

Date: 28.08.2020

Annexure - 1

ANNEXURE TO THE DIRECTORS REPORT

Particulars of Energy Consumption, Technology absorption and Foreign Exchange Earnings and outgo required under the companies (Accounts) Rules, 2014.

A. The detail of conservation of energy, technology absorption, foreign earning and outgo are as follows:

a) Energy conservation measures taken: -

- i. Optimum usage of all electrical appliances.
- ii. Controlling the maximum demand of electricity to reduce the electricity bill and usage of natural light.
- iii. Idle running of Machines avoided.
- iv. Running induction furnace on Sunday to reduce maximum demand and consumption of diesel.
- v. Create awareness of the importance of energy conservation and practice among all.

b) Impact on cost of production of goods: -

The above-mentioned measures have resulted in reduced consumption of electrical energy at various load centers and helped curtailing.

B. Technology Absorption

- i. **The efforts made towards technology absorption: -**
 - Technical guest lecturers in various subjects and speculations and skill building exercise.
 - In depth IPR analysis and review.
 - Theoretical simulation.
- ii. **The benefit derived like product improvement, cost reduction, product development or import substitution:**
 - New model machine with innovative feature, improvement in performance of machines and enhancement of the knowledge base.
- iii. **Details of the imported Technology: -**
During the last three-year company has not purchased any imported machine.

C. Foreign Exchange Earnings and Outgoing

The Export Sales during the year has contributed 4.48 % of the total Sales.

	<u>2019-20</u>	<u>2018-19</u>
Total Foreign Exchange – Used (Rs.):	59,59,530.00	13,02,140.00
Earned (Rs.):	25,25,687	37,90,204

For and on behalf of the Board of Directors
HITCO TOOLS LIMITED

Sd/-
(Surendra Bhandari)
Managing Director
DIN: 00727912

Sd/-
(Madhu Bhandari)
Director
DIN: 00353298

Place: Bangalore
Date: 28.08.2020

Annexure - 2

MANGEMENT DISCUSSION & ANALYSIS REPORT

A. INDUSTRY STRUCTURE & DEVELOPMENTS

The Indian machine tools industry consists of about 1000 manufacturing units out of which approximately 400 units are under the organized category. Further, ten major Indian companies constitute almost 70 per cent of the total production. While the large organized player caters to India heavy and medium industries, the small scales sector meets the demand of ancillary and other unites. The machine tools industry can be broadly classified into metal-cutting and metal cutting –forming tools, based on the type of operation. Metal cutting accounts 81 per cent of the total output of machine tools in India. Key metal cutting tools include turning centers, machining centers and grinding centers which account for nearly two –thirds of the total metal cutting production.

There has been a growing need to adopt CNC- based machine tools in the end user segments to achieve precision and accuracy in the production process. Moreover, non-CNC machines consume more time and energy and are prone to considerable wear and tear in a short period. This demand for CNC- based machine is expected to aid the growth of the machine tools market in India over the next four years.

Metal forming is dominated by presses, which account for 55 percent share. Based on technology, Machine tools can be classified into CNC (Computerized Numerically Controlled) and conventional tools. CNC machine tools, which are highly productive and cost effective comprising nearly 73 percent of machine tools. Of these, CNC turning centers, machining centers and grinding centers are the biggest segments, accounting for nearly 92 percent of the total CNC machine tools production in India. The increasing domestic demand which is not currently met by domestic production indicates the vast business potential available within the country for machine tools. Further Technavio market research analyst forecasts the production of machine tools in India to grow at a CAGR of 13% during the forecast period.

B. OPPORTUNITIES:

- Expansions in strategic sectors, will fuel the demand for machine tools.
- Global hub for manufacturing components.
- Impetus being given by Government for growth in manufacturing sector.
- Growth in power, nuclear power, aerospace to fuel demand for machine tools.
- Tie –up with major player in the field and diversification to medical equipment manufacturing.

C. THREATS:

- Increasing interest rates
- Lowering of import duty.
- Influx of second hand/reconditioned imported machines.
- Surplus manpower & employee cost and shortage of skilled manpower in critical areas.

D. STRENGTH

- Qualified & experienced engineers and technicians.
- Focus group for strategic segments
- Good infrastructure for manufacturing machine tools.
- Strong brand image.
- Country wide sales and service network.
- Wide variety – Conventional, CNC, Special purpose & metal forming machine.
- Adaptability to change.

E. SEGMENT-WISE PERFORMANCE

Your Company made after tax loss of Rs. 87.33 lakhs on a turnover of Rs. 563.78 lakhs and other income of Rs. 11.18 lakhs.

	Drill Bits & Taps (in Lakhs)
Net Sales & Operating Revenue	Rs. 563.78
Loss after Tax	Rs. 87.33
Capital Employed	Rs. 207.08

F. 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.

G. 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 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.

H. 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 and sudden unhealthy trends in the international scenario arising out of political uncertainty in the global context are a risk factor.

I. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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.

J. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECTS TO OPERATIONAL PERFORMANCE

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

K. 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

HITCO TOOLS LIMITED

Sd/-
(Surendra Bhandari)
Managing Director
DIN: 00727912

Sd/-
(Madhu Bhandari)
Director
DIN: 00353298

Place: Bangalore

Date: 28.08.2020

CORPORATE GOVERNANCE REPORT

In accordance with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the report containing details of corporate governance systems and processes at Hittco Tools Limited is as under:

Company's Philosophy on Corporate Governance

Your Company's Philosophy of Corporate Governance has evolved from its continued faith in fundamental of fairness, accountability, disclosures, and transparency. The Company believes that Corporate Governance is a pre-requisite for attaining sustainable growth in this competitive corporate world.

Your Company believes that good Corporate Governance is essential to achieve long term corporate goals and to enhance shareholders value. In this pursuit, your company's philosophy on Corporate Governance is led by a strong emphasis on transparency, accountability, integrity, and follows the principles of Law-abiding enterprise. The company will continue to focus its resources, strengths and strategies for creation and safeguarding of shareholders' wealth and at the same time protect the interests of all its stakeholders. All employees are bound by a Code of Conduct that sets forth Company's policies on important issues, including our relationship with consumers, shareholders and Government.

BOARD OF DIRECTORS

1. The present strength of the Board of Directors is Ten (10). Out of Ten Directors, Eight Directors (more than 50%) are Non-Executive Directors. Besides, Five Directors (50%) are Independent Directors. The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. As required under Section 149 (1) of the Companies Act, 20013, Mrs. Madhu Bhandari is woman director on the board of directors of the Company.
2. Certificate have also been obtained from the Independent Directors confirming their position as Independent Directors on the Board of the Company in accordance with Section 149 of the Companies Act, 2013 read with Regulation 16 (1) (b) of Listing Regulation 2015.

The names and categories of the Directors on the Board, their attendance at the Board Meeting held during the year and at the last Annual General Meeting and also the number of directorships and committee membership held by them in other companies as on March 31, 2020 are given below:

Name of the Director	Share Holding	Category	Attendance Particulars			Director ships in other Companies and name of listed Company (*)	Committee Memberships in other Committee	
			No of Board Meetings		Last AGM		Memberships	Chairman ships
			Held	Attended	Attended			
1. Surendra Bhandari	10,00,684	Managing Director & Chairman (Executive)	8	8	Yes	NIL	-	-

2. Madhu Bhandari	70,077	Non-Executive Director	8	8	No	NIL	-	-
3. Sidharth Bhandari	3,92,699	Non-Executive Director	8	7	No	NIL	-	-
4. Rajib Ghosh Roy	0	Whole time Director (Executive Director)	8	7	No	NIL	-	-
5. Yashvardhan Bhandari	118700	Non-Executive Director	8	6	No	NIL	-	-
6. Menezes Braganca Nikhil Fernando De	0	Independent Director	8	6	No	NIL	-	-
7. S.R. Satish	0	Independent Director	8	8	Yes	NIL	-	-
8. Rajeev Gobindram Hassanand	0	Independent Director	5	4	No	NIL	-	-
9. Vikram S Gupta	0	Independent Director	8	7	No	NIL	-	-
10. B S Prakash	0	Independent Director	8	8	Yes	NIL	-	-

(*) Directorship in Companies registered under the Companies Act, 2013, excluding Directorships in Private Limited Companies, Foreign Companies, Companies under Section 8 of the Companies Act, 2013 and Alternate Directorships.

Disclosure regarding re-appointment of Directors

According to Article of Association of your Company, at every Annual General Meeting of the Company, one third Directors of the Board are liable to retire by rotation. Mrs. Madhu Bhandari, being eligible, offers herself for re-appointment.

Mr. Surendra Bhandari was appointed as Managing Director for a period of five years. On the recommendation of the Nomination and Remuneration committee board has appointed him as Managing Director on 12.11.2019 for a further period of five year subject to the approval of members in the ensuing Annual General Meeting.

Mr. Yashvardhan Bhandari, was appointed as an Executive Director and Chief Financial Officer of the company by the board in the meeting held on 22.05.2020 subject to the approval of the members at the subsequent AGM.

a) Meetings of the Board of Directors

The Board of Directors meets regularly and are responsible for the proper direction and management of the Company. During the financial year 2019-20, Eight Board Meetings were held as follows and the maximum gap between any two meetings was not more than 120 days.

Quarter		Dates
April – June, 2019	1	01.04.2019
	2	29.05.2019
July – September, 2019	3	01.07.2019
	4	13.08.2019

	5	03.09.2019
October – December,2019	6	15.10.2019
	7	12.11.2019
January – March,2020	8	29.01.2020

c) Directors' Attendance Record and Directorship held

As mandated by SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, none of the Directors are director of more than Seven Listed Company, 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.

d) 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.

e) Remuneration paid to Directors

During 2019-20, the Company did not advance any loan to any of its Directors. The remuneration paid to the Directors for the year 2019-20 is given below:

Name of the Director	Category	Salary
1. Surendra Bhandari	Chairman Cum Managing Director	10,60,000
2. Sidharth Bhandari	Director	-
3. Madhu Bhandari	Director	-
4. Rajib Ghosh Roy	Whole time Director	Rs. 12,01,500
5. Yashvardhan Bhandari	Director	-
6. Menezes Braganca Nikhil Fernando De	Independent Director	-
7. S.R. Satish	Independent Director	-
8. Rajeev Gobindram Hassanand	Independent Director	-
9. Vikram S Gupta	Independent Director	-
10. B S Prakash	Independent Director	-

f) Details of shareholding of Non- Executive Directors

Mr. Sidharth Bhandari holds 3,92,699 equity shares, Mrs. Madhu Bhandari holds 70,077 equity shares, Mr. Yashvardhan Bhandari holds 1,18,700 equity shares, Mr. Vikram Gupta holds 1000 equity shares as on 31.03.2020.

Skills / expertise / competence requirements for Board of Directors

The board of directors has always identified core skills / expertise / competencies to be available with the Board for functioning effectively. Such skills / expertise / competencies include combination of educational qualification in different functional areas. Knowledge and work experience in the fields of manufacturing industry, banking, finance, sales and marketing, human resource, regulatory,

administration and legal etc. The Board is satisfied with the set of skills / expertise / competencies available with it presently.

BOARD COMMITTEES

The Company has Three Board Level Committees – Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship 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 31.03.2020 is as follows:

Mr. S R Satish	Chairman
Mr. Surendra Bhandari	Member
Mr. Menezes Braganca Nikhil Fernando De	Member

The Audit Committee Chairman was present in the last Annual General Meeting. The Constitution of the Audit Committee complies with the requirements of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and also complies with the Act.

At the invitation of the Company, representatives from various divisions of the Company, internal auditors, statutory auditors and head of finance & accounts & Secretary, who is acting as Secretary to the Audit Committee, also attended the Audit Committee meetings to respond to queries raised at the Committee meetings.

Terms of Reference

The Audit Committee while exercising its functions has powers including but not limited to following:

1. To investigate any activity brought to the notice of the Committee.
2. To seek information from the employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it is considered necessary.

The broad terms of reference of the Committee are to review and recommend the financial statements and to review the adequacy of internal control systems and internal audit function.

The role and terms of reference of the Audit Committee cover the matters specified under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with the stock exchanges, other terms as may be referred by the Board of Directors and inter-alia includes the following:

- Review of the Company's financial reporting process and its financial statements is correct, sufficient and credible.
- Review of internal control system.
- Compliance with listing and other legal requirements relating to financial statement
- Recommend to the Board, the appointment, reappointment and if required the replacement or removal of the statutory auditor and the fixation of the audit fees.

The Audit Committee held four meetings during 2019-20 on 29th May, 2019, 13th August, 2019, 12th November, 2019 and 29th January, 2020.

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

B) Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been duly constituted pursuant to Section 178 (1) of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015. The Nomination and Remuneration Committee comprises of three Directors, viz. Mr. S R Satish, Mrs. Madhu Bhandari and Mr. Menezes Braganca Nikhil Fernando De. Mr. S R Satish is the Chairman of the Committee. The Company Secretary acts as a Secretary to the Committee. The Committee held three meetings during 2019-20 on 29th May, 2019, 13th August, 2019, 12th November, 2019.

Terms of Reference

The broad terms of reference of the Nomination and Remuneration Committee are as follows:

- 1) To decide on the remuneration policy of the company on specific remuneration packages for executive directors including pension rights and any compensation payment.
- 2) Formulation of criteria for evaluation of performance of Independent Director, determining qualification, positive attributes, and independence of a director.
- 3) To avoid conflicts of interest and identifying person who are qualified to become director.
- 4) Such other powers/functions as may be delegated by the Board from time to time. Remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in accordance with the existing industry practice.

C) Stakeholder's Relationship Committee

The Stakeholder Relationship Committee has been duly constituted pursuant to Section 178 (5) of the Companies Act, 2013 and relevant provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to look into various issues relating to shareholders including the complaints of shareholders, share transfers/ transmission/issue of duplicate shares etc. During the year under review, the Committee met one time on 29th January 2020. The Stakeholders Relationship Committee comprises of three Directors, viz. Mr. S R Satish, Mr. Menezes Braganca Nikhil Fernando De and Surendra Bhandari. Mr. S R Satish is the Chairman of the Stakeholders Relationship Committee. The Company Secretary is the Secretary of the Committee.

During the year under review, the status of request letters/complaints were as follows:

	Received	Resolved	Balance
Complaints	NIL	NIL	NIL

There is no complaint pending for satisfaction of shareholders/investors.

Compliance Officer

The Board has designated Miss Huma M Tamatgar, Company Secretary, as Compliance Officer

INDEPENDENT DIRECTOR MEETING:

During the year under review, the independent director met on 13.03.2020 interalia:

1. To review the performance of Non-Independent director and the board as a whole.
2. To review the performance of the chairperson of the company, taking into account the view of Executive and Non- Executive Directors.
3. To assess the quality, quantity, and timeline of flow of information between the company management and the board that is necessary for the effective and reasonable performance of their duties.

Familiarization Programme

Your Company follows a structured orientation and familiarization programme which aims to provide insight into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.

ANNUAL GENERAL MEETINGS:

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

Annual General Meeting			
2016-17	29-09-2017	11.00A.M	"SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore-560 001.
2017-18	28-09-2018	11.00 A.M	"SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore-560 001.
2018-19	30/09/2019	11.00 A.M	"SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore-560 001.

Special resolutions were passed during the last AGM held on 30.09.2019.

POSTAL BALLOT :

No special resolution requiring a postal ballot was proposed in the Annual General Meeting held during the year under review.

I. Disclosures

- a. Disclosures on materially significant related party transactions i.e. material transactions of the Company with its promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have not potential conflict with the interests of the company at large.
 - None of the transactions with any of the related parties were in conflict with the interest of the Company.
- b. Details of non-compliance by the company, penalties and strictures imposed on the company by Stock Exchange or SEBI, or any other statutory authority, on any matter related to capital markets, during the last three years.
 - The Company has duly complied with requirements of regulatory authorities on capital markets and no penalty/stricture was imposed on the Company during the last three years.
- c. Vigil Mechanism / Whistle Blower Policy - The Company promotes ethical behavior in all its business activities and has put in place mechanism of reporting illegal or unethical behavior. Employees are free to report violations of laws, rules, regulation, or unethical conduct to their immediate supervisor/notified person. No person has been denied access to the audit committee. The Directors and Senior Management are obligated to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practices.
- d. The company has complied with all the mandatory requirements of SEBI (Listing Obligation and Disclosure Requirements) Regulations and is in the process of implementation of Non-mandatory requirements.
- e. A certificate duly signed by the CFO and Whole Time Director relating to financial statements and internal controls and internal control systems for financial reporting as per the format provided in SEBI (Listing Obligation and Disclosure Requirements) Regulations was placed before the Board, and taken on record.

- f. Profile and other information regarding the Directors being appointed/re-appointed as required under SEBI (Listing Obligation and Disclosure Requirements) Regulations have been given in the Notice of the Annual General Meeting annexed to this Annual Report.
- g. The Company follows a formal management policy and system of legal compliance and reporting to facilitate periodical review by the Board of compliance status of laws applicable to the company and steps taken to rectify non-compliance, if any..
- h. **Declarations by the CFO under SEBI (Listing Obligation and Disclosure Requirements) Regulations.**
Mr. Rajib Ghosh Roy, CFO of the Company has furnished the requisite certificate regarding affirming compliance with the Code of Conduct, for the financial year ended March 31, 2020, which is attached with the report.
- i. **Code of Conduct for board members and senior management:**
The Company has adopted the code of conduct for the Directors and Senior Management Personnel of the Company. The Company has received confirmations from both the Directors as well as Senior Management regarding compliance of the code of conduct for the year ended 31st March, 2020.

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 and also disseminated on the website of Company at <http://www.hittco.com>

GENERAL SHAREHOLDERS' INFORMATION

The Annual General Meeting of the Company is scheduled to be held on Friday, the 25th September, 2020 at 11.00 A.M at registered office of the Company at HTC Aspire, 19, Ali Asker Road, Bangalore KA 560052, through Video Conferencing ("VC") /Other Audio-Visual Means ("OAVM") to transact the business mentioned in the notice of AGM.

Financial Calendar (tentative and subject to change):

Events	Tentative Date
Annual General Meeting for the year ending March 31, 2020	By 25 th September, 2020
Unaudited Financial results for the first quarter ending 30 th June, 2020	By 14 th September, 2020
Unaudited Financial results for the second quarter ending 30 th September, 2020	By 14 th November, 2020
Unaudited Financial results for the third quarter ending 31 st December, 2020	By 14 th February, 2020
Audited Financial results for the year ending 31 st March, 2021	By 30 th May, 2021

Book Closure Dates

From 19th September, 2020 to 25th September, 2020 (both days inclusive) for requirements of Regulation 42 of SEBI (LORD) Regulation, 2015 for the financial year 2019-20.

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 on Bombay Stock Exchange Limited (BSE), P. J. Towers, Dalal Street, Mumbai – 1,

Stock Code

Stock Exchange	Code
Bombay Stock Exchange Limited	531661

Market Price Data

Monthly Share Price movement during 2019-20 on Bombay Stock Exchange:

No	Date	Highest (Rs.)	Lowest (Rs.)
1.	April, 2019	6.36	4.41
2.	May, 2019	8.77	6.22
3.	June, 2019	8.27	4.47
4.	July, 2019	4.50	4.35
5.	Aug, 2019	4.43	4.43
6.	Sep, 2019	5.37	4.65
7.	Oct, 2019	5.37	5.37
8.	Nov, 2019	5.37	5.37
9.	Dec, 2019	5.37	5.37
10	Jan, 2020	5.37	5.37
11.	Feb, 2020	5.37	5.37
12.	Mar, 2020	5.37	4.66

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 Subramanian 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 2020.

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	1032	70.98	1882460	3.06
05001 – 10000	181	12.45	1609250	2.61
10001 - 20000	78	5.36	1230980	2.00
20001 - 30000	40	2.75	1061210	1.72
30001 - 40000	27	1.86	986170	1.60
40001 - 50000	15	1.03	718550	1.16
50001– 100000	36	2.48	2850970	4.63
100001 & above	45	3.09	51258880	83.21
Total	1454	100	61598470	100

Table B: Shareholding Pattern by Ownership

Particulars	No. of Shareholders	No. of shares	% to total Shares
Promoter & Promoter Group	9	35,72,568	58.00
Public	1445	25,87,279	42.00
Total	1454	61,59,847	100.00

Dematerialization of Equity Shares:

Trading in equity shares of the Company became mandatory in dematerialized form from 01.10.2000. 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 85.71 % 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

#78, III Phase, Peenya Industrial Area, Bangalore - 560058

Address for Correspondence

The Company's Registered Office is situated at
 HTC Aspire, #19, Ali Asker Road, Bangalore 560052
 Tel: 080-40865000; Fax: 080-41491250
 E-mail-ID: cs@hittco.com.

Our Registrar and Transfers Agent's Address

M/s Cameo Corporate Services Ltd
 Subramanian 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 etc. to their respective Depository Participants (DPs) only.

For and on behalf of the Board of Directors
HITCO TOOLS LIMITED

Sd/-

(Surendra Bhandari)

Managing Director

DIN: 00727912

Place: Bangalore

Date: 28.08.2020

Sd/-

(Madhu Bhandari)

Director

DIN: 00353298

To,

The Members of Hittco Tools Ltd

DECLARATION BY THE CEO PURSUANT TO REGULATION 34(3) AND SCHEDULE V OF THE SEBI (LORD) REGULATION, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT.

In accordance with regulation 34(3) and Schedule V of the SEBI (LORD) regulation, 2015 with the stock exchanges, I, Rajib Ghosh Roy, CEO of the company, hereby declare that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct formulated by the Company for the financial year ended March 31,2020.

For and on behalf of the Board of Directors

HITTCO TOOLS LIMITED

Sd/-

(Rajib Ghosh Roy)

CEO

PAN : AGLPG2234R

Place: Bangalore

Date: 28.08.2020

Annexue -4

REPORT ON CORPORATE GOVERNANCE

To,

The Members of Hittco Tools Limited

We have examined the compliance of the conditions of Corporate Governance by **Hittco Tools Limited** ("the Company") for the year ended on 31st March 2020, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the documents and records maintained by the Company and the report on Corporate governance as adopted by the Board of Directors.

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

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the Conditions of Corporate Governance as stipulated in the

above-mentioned Listing Regulations. We further state that such compliance is neither an assurance as to future viability of the Company nor efficiency and effectiveness with which the management has conducted the affairs of the Company.

For Manjeet and Associates

Sd/-

Company Secretaries

Manjeet

Proprietor

Mem No: 39692

CP No: 22581

UDIN: A039692B000618336

Place: Bangalore

Date: 26.08.2020

CEO/CFO CERTIFICATION

To
The Board of Director
Hittco Tools Limited
Bangalore

We, Yashvardhan Bhandari, Chief Financial Officer and Rajib Ghosh Roy, Chief Executive officer of the company hereby certify to the Board that:

- A) We have reviewed financial statement and cash flow statement for the year ended 31 March, 2020 and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
 - These statements together present a true and fair view of the company's affairs and are in compliance with the existing Accounting Standards, applicable laws and regulations.
- B) There are, to the best of our knowledge and belief, no transaction entered by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.
- C) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- D) We have indicated to the Auditors and the Audit committee:
- Significant change in internal control over financial reporting during the year:
 - Significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements: and
 - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the company's internal control system over financial reporting.

For and on behalf of the Board of Directors
HITTCO TOOLS LIMITED

Sd/-
(Rajib Ghosh Roy)
CEO
PAN : AGLPG2234R

Sd/-
(Yashvardhan Bhandari)
CFO
PAN : ACVPY3047L

Place: Bangalore
Date: 28.08.2020

Annexure – 5

SECRETARIAL AUDIT REPORT

To,
The Members,
Hittco Tools Limited
HTC Aspire, 19, Ali Asker Road, 2nd Floor

Bangalore, Karnataka-560052, India

Our Secretarial Audit report of even date, for the Financial Year 2019-20 is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the company to maintain Secretarial Records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the system are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on secretarial records standard and procedures followed by the company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management representation about the compliance of law, rules and regulations and happening of event etc.

Disclaimer

5. The secretarial audit report is neither as assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.
6. We have not verified the correctness and appropriateness of financial records and books of account of the company.

For Manjeet and Associates

Sd/-

(Manjeet)

Company Secretaries

Proprietor

Mem. No.- 39692

COP No.22581

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014]

To,
The Members,
Hittco Tools Limited
HTC Aspire, 19, Ali Asker Road, 2nd Floor
Bangalore, Karnataka-560052, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Hittco Tools Limited** (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers,

agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2020 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the Rules made thereunder and the relevant provisions of the Act;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; as amended from time to time;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009; – Not Applicable as the Company did not issue any security during the Financial Year under review;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, and The Securities and Exchange Board of India (Share Based Employee Benefits; - Not Applicable as Company has not issued any ESOPS to its employees during the Financial Year under review;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; – Not applicable as the Company has not issued any debt securities during the financial year under review;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; – Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - Not Applicable as the Company has not done any buyback of its securities during the financial year under review.
- vi. The following key / significant laws as specifically applicable to the Company: -
 - 1) The Apprentices Act, 1961
 - 2) The Factories Act, 1948
 - 3) The Legal Metrology Act, 2009 and rules made thereunder
 - 4) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
 - 5) The Water (Prevention and Control of Pollution) Act, 1974
 - 6) The Water (Prevention and Control of Pollution) Cess Act, 1977
 - 7) The Air (Prevention and Control of Pollution) Act, 1981

- 8) The Environment (Protection) Act 1986
- 9) The Hazardous Wastes (Management and Handling) Rules, 1989
- 10) The Government Order Under Environment (Protection) Act, 1986
- 11) The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999
- 12) The Contract Labour (Regulation and Abolition) Act, 1970 & its Central Rules/ concerned State Rules.
- 13) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes.
- 14) The Employees' State Insurance Act, 1948 & its Central Rules / concerned State Rules.
- 15) The Minimum Wages Act, 1948 & its Central Rules/ concerned State Rules/ Notification of Minimum Wages applicable to various class of industries/ Trade.
- 16) The Payment of Wages Act, 1936 & its Central Rules/ concerned State Rules if any.
- 17) The Payment of Bonus Act, 1965 & its Central Rules/ concerned State Rules if any.
- 18) The Payment of Gratuity Act & its Central Rules/ concerned State Rules if any.
- 19) The Child Labour (Regulation & Abolition) Act, 1970
- 20) The Karnataka Daily Wage Employees Welfare Act, 2012
- 21) The Maternity Benefit Act, 1961 & its Rules.
- 22) The Equal Remuneration Act, 1976.
- 23) The Labour Welfare Fund Act, 1965
- 24) The Workmen's Compensation Act, 1923
- 25) The Karnataka Shops & Establishments Act, 1961 and rules made thereunder
- 26) Information Technology Act, 2000
- 27) The Industrial Dispute Act, 1947
- 28) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- 29) Persons with Disabilities (Equal Opportunities, Protection, Protection of Rights and Full Participation) Act, 1996
- 30) The Competition Act, 2002
- 31) The Indian Contract Act, 1872
- 32) The Sales of Goods Act, 1930
- 33) The Forward Contracts (Regulation) Act, 1952
- 34) The Indian Stamp Act, 1899

We have also examined compliance with the applicable clauses/regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)
 - (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines; and

As informed, the Company has responded to notices for demands, claims, penalties etc. levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

There are no other specific events/actions in pursuance of the above referred laws, rules, regulations guidelines etc., having a major bearing on the Company's Affairs

For Manjeet and Associates

Sd/-

(Manjeet)

Company Secretaries

Proprietor

Mem. No.- 39692

COP No.22581

UDIN: A039692B000618215

Place: Bangalore

Date: 26/08/2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of M/s. Hittco Tools Limited

HTC Aspire, 19, Ali Asker Road 2nd Floor

Bangalore KA 560052

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Hittco Tools Limited** having CIN: L28939KA1995PLC016888 and having registered office at **HTC Aspire, 19, Ali Asker Road, 2nd Floor, Bangalore - 560052** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ended on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment

1.	SIDHARTH BHANDARI	00237174	04/01/1995
2.	MADHU BHANDARI	00353298	27/02/2013
3.	SURENDRA BHANDARI	00727912	04/01/1995
4.	VIKRAM GUPTA	01064379	30/06/2009
5.	SATISH RAMARAO SHIMOGA	01536009	19/05/2008
6.	RAJEEV GOBINDRAM HASSANAND	02192261	01/07/2019
7.	YASHVARDHAN BHANDARI	06688573	18/12/2017
8.	MENEZES BRAGANCA NIKHIL FERNANDO DE	07101045	28/09/2018
9.	BILIGERE SHEKAR PRAKASH	07507383	04/03/2017
10.	RAJIB GHOSH ROY	03050182	01/07/2010

Ensuring the eligibility for the appointment /continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Manjeet and Associates

Sd/-

(CS Manjeet)

Company Secretaries

Proprietor

Mem. No.- 39692

COP No.22581

UDIN: A039692B000618468

Place: Bangalore

Date: 26TH August, 2020

Annexure -5

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L28939KA1995PLC016888
2	Registration Date	04-01-1995
3	Name of the Company	Hittco Tools Limited
4	Category/Sub-category of the Company	PUBLIC COMPANY LIMITED BY SHARES INDIAN NON-GOVERNMENT COMPANY
5	Address of the Registered office & contact details	HTC Aspire, 19, Ali Asker Road, 2nd Floor, Bangalore 560052, Karnataka. Contract No. – 080-40865062, Email Id: cs@hittco.com

6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Cameo Corporate Services Limited, "Subramanian Building" #1 Club House Road, Chennai-600 002., Tel: 044-28460390; Fax: 044-28460129 Email Id: cameo@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
	Manufacture of Drills Bits	357	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	11,89,461	-	11,89,461	19.31%	11,89,461	-	11,89,461	19.31%	0%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	16,90,408	3,00,000	19,90,408	32.31%	16,90,408	3,00,000	19,90,408	32.31	0%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	28,79,869	3,00,000	31,79,869	51.62%	28,79,869	3,00,000	31,79,869	51.62%	0%

(2) Foreign									
a) NRI Individuals	3,92,699	-	3,92,699	6.38%	3,92,699	-	3,92,699	6.38%	0%
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	3,92,699	-	3,92,699	6.38%	3,92,699	-	3,92,699	6.38%	0%
TOTAL (A)	32,72,568	3,00,000	35,72,568	58.00%	32,72,568	3,00,000	35,72,568	58.00%	0%

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-

f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	68103	219300	287403	4.67%	32241	219300	251541	4.08%	-0.01%
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-					-		
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	7,66,410	2,10,780	9,77,190	15.86	7,64,241	2,09,980	9,74,221	15.81	-.048
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	7,66,597	1,51,200	9,17,797	14.90	8,05,721	1,51,200	9,56,921	15.53	.63
c) Others (specify)	-			-				-	-
HUF	31,445	-	31,445	0.51%	30,439	-	30,439	0.49	(0.02)
Non Resident Indians	3,73,444	-	3,73,444	6.06	3,73,344	-	3,73,344	6.06	-
Overseas Corporate Bodies									
Foreign Nationals	-	-	-	-	-	-		-	-
Clearing Members		-	-		813	-	813	0.01	0.01
Trusts	-	-	-	-	-	-	-	-	
Foreign Bodies - D R	-		-	-	-	-	-	-	
Sub-total (B)(2):-	20,05,999	5,81,280	25,87,279	42.00	20,06,799	5,80,480	25,87,279	42.00	-

Total Public (B)	20,05,999	5,81,280	25,87,279	42.00	20,06,799	5,80,480	25,87,279	42.00	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	52,78,567	8,81,280	61,59,847	100%	52,79,367	8,80,480	61,59,847	100%	0%

(ii) Shareholding of Promoter								
SN	Shareholder's Name	Shareholding at the beginning of the year (01.04.2019)			Shareholding at the end of the year (31.03.2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Surendra Bhandari JT1 : Madhu Bhandari	10,00,684	16.25%	0	10,00,684	16.25%	0	0%
2	Mr. Sidharth Bhandari	3,92,699	6.38%	0	3,92,699	6.38%	0	0%
3	Mrs. Madhu Bhandari	70,077	1.14%	0	70,077	1.14%	0	0%
4	Mr. Yashvardhan Bhandari	1,18,700	1.93%	0	1,18,700	1.93%	0	0%
5	Indo European Machinery Company Private limited	72,000	1.17%	0	72,000	1.17%	0	0%
6	Fotoset Trading Company Private Limited	55,700	0.90%	0	55,700	0.90%	0	0%
7	Hittco Properties Private Limited	6,52,044	10.59%	0	6,52,044	10.59%	0	0%
8	BI Holdings (Bangalore) Private Limited	9,17,064	14.89%	0	9,17,064	14.89%	0	0%
9	Hitecc Prints (India) Private Limited	2,93,600	4.77%	0	2,93,600	4.77%	0	0%
	TOTAL	35,72,568	58.00%	0	35,72,568	58.00%	0	0%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)								
NO CHANGE								
SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
				No. of shares	% of total shares	No. of shares	% of shares	% of total shares
	At the beginning of the year			35,72,568	58%	35,72,568	58%	0%
	Changes during the year			-	0%	-	-	0%
				-	0%	-	-	0%
				-	0%	-	-	0%
	At the end of the year			35,72,568	58%	35,72,569	58%	0%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Moizbhai Hakimuddin Boriawala JT1 : Mehjabeen Moiz Boriawala						
	At the beginning of the year			2,61,862	4.25%	2,61,862	4.25%
	Changes during the year	27.09.2019	Transfer	100	0.00%	2,61,762	4.24%
	At the end of the year			2,61,762	4.24%	2,61,762	4.24%
2	Dipak Kanayalal Shah						
	At the beginning of the year			2,20,000	3.57%	2,20,000	3.57%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			2,20,000	3.57%	2,20,000	3.57%
3	Foresight Financial Services Ltd						
	At the beginning of the year			1,00,000	1.62%	1,00,000	1.62%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1,00,000	1.62%	1,00,000	1.62%
4	K Priya						
	At the beginning of the year			97,700	1.59%	97,700	1.59%
	Changes during the year				0.00%		0.00%
	At the end of the year			97,700	1.59%	97,700	1.59%
5	Foresight Financial Services Ltd						
	At the beginning of the year			96,200	1.56%	96,200	1.56%
	Changes during the year				0.00%		0.00%
	At the end of the year			96,200	1.56%	96,200	1.56%
6	Mehjabeen Moiz Boriawala JT1 : Moizbhai Hakimuddin Boriawala						
	At the beginning of the year			80,670	1.31%	80,670	1.31%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			80,670	1.31%	80,670	1.31%
7	Sangeeta R Solanki						

	At the beginning of the year			50,000	0.81%	50,000	0.81%
	Changes during the year				0.00%		0.00%
	At the end of the year			50,000	0.81%	50,000	0.81%
8	Kalpana Prakash Pandey						
	At the beginning of the year			42,952	0.70%	42,952	0.70%
	Changes during the year	03.05.2019	Transfer	1,900	0.03%	44,852	0.73%
		10.05.2019	Transfer	1,071	0.01%	45,923	0.74%
		02.08.2019	Transfer	5	0.00%	45,928	0.74%
		25.10.2019	Transfer	724	0.01%	46,652	0.75%
		08.11.2019	Transfer	2,030	0.04%	48,682	0.79%
	At the end of the year			48,682	0.79%	48,682	0.79%
9	Vinod Kumar Pamneja						
	At the beginning of the year			39,200	0.64%	39,200	0.64%
	Changes during the year				0.00%		0.00%
	At the end of the year			39,200	0.64%	39,200	0.64%
10	Bharat R Trivedi						
	At the beginning of the year			39,100	0.64%	39,100	0.64%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			39,100	0.64%	39,100	0.64%

(v) Shareholding of Directors and Key Managerial Personnel:							
SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Surendra Bhandari, Managing Director						
	At the beginning of the year			10,00,684	16.25%	10,00,684	16.25%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			10,00,684	16.25%	10,00,684	16.25%
2	Madhu Bhandari						
	At the beginning of the year			70,077	1.14%	70,077	1.14%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			70,077	1.14%	70,077	1.14%
3	Sidharth Bhandari						

	At the beginning of the year			3,92,699	6.38%	3,92,699	6.38%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			3,92,699	6.38%	3,92,699	6.38%
4	Yashvardhan Bhandari						
	At the beginning of the year			1,18,700	1.93%	1,18,700	1.93%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1,18,700	1.93%	1,18,700	1.93%
5	Vikram Gupta						
	At the beginning of the year			1000	0.01%	1000	0.01%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1000	0.01%	1000	0.01%
6	Satish Ramarao Shimoga						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
7	Rajeev Gobindram Hassanand						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
8	Menezes Braganca Nikhil Fernando De						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
9	Biligere Shekar Prakash						
	At the beginning of the year				0.00%		0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
10	Rajib Ghosh Roy (Whole Time Director & Chief Financial Officer)						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%

11	Huma M Tamatgar (Company Secretary)						
	At the beginning of the year				0.00%		0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,59,50,377.00	-	-	3,59,50,377.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3,59,50,377.00	-	-	3,59,50,377.00
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	12,61,002.00	-	-	12,61,002.00
Net Change	(12,61,002.00)	-	-	(12,61,002.00)
Indebtedness at the end of the financial year				
i) Principal Amount	3,46,89,375.00	-	-	3,46,89,375.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3,46,89,375.00	-	-	3,46,89,375.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

NIL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WT/ Manager	Total Amount
	Name	Surendra Bhandari	(Rs)
	Designation	Managing Director	
1	Gross salary	10,60,000.00	10,60,000.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-

	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	10,60,000.00	-	10,60,000.00
	Ceiling as per the Act			-

B. Remuneration to other Directors					
SN.	Particulars of Remuneration	Name of Directors			Total Amount
					(Rs)
1	Independent Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors				-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD						
SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount	
	Name		Rajib Ghosh Roy	Manjeet Kumar	Huma M Tamatghar	(Rs)
	Designation	CEO	CFO	CS		

1	Gross salary		12,01,500	3,29,877	2,21,272	17,52,649
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total	-	12,01,500	3,29,877	2,21,272	17,52,649

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
NIL					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

INDEPENDENT AUDITOR'S REPORT
To the Members of HITCO TOOLS LIMITED

Qualified Opinion:

We have audited the Standalone Ind AS Financial Statements of HITCO TOOLS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred as standalone financial statements)

In our opinion, and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our audit report, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019 and its loss, (Including other comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion:

Members' attention is invited to

1. Note (4) - The finished goods and work-in progress have been valued at estimated cost. The estimated Cost has been arrived by deducting certain percentage towards margin from the estimated selling price. We are unable to obtain sufficient and appropriate audit evidence about approximation of the estimated cost to the Actual cost as required by the Ind AS - 2 "Inventories" from the records maintained by the company. Consequently, we are unable to determine the impact of the same on the financial statements for the year end 31st March 2020.
2. Balance confirmations have not been received from Trade receivables, Other Financial assets and Other Financial liabilities against balance outstanding as on 31st March 2020. In the absence of such confirmations, we are unable to comment on the impact arising out of reconciliation/ adjustments, if any, on the financial statements for the year end 31st March 2020.
3. Confirmation for balances of fixed deposits mentioned below have not been provided for our verification.

Particulars	Amt. in INR
Fixed Deposit-Margin For Bank Guarantee -EPCG	7,62,296
Kotak LC Margin	15,94,901
Total	23,57,197

In the absence of such confirmations, we are unable to comment on the impact arising out of reconciliation/ adjustments, if any, on the financial statements for the year end 31st March 2020.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.N.	Key Audit Matter	Auditor's Response
1.	<p>Issue of going concern and dependency on automobile sector</p> <p>The Company's revenue is significantly dependent on the automobile sector. The sector is witnessing down turn, along with the present situation of COVID19 pandemic, it has resulted in sinkage of revenue during the financial year 2019-20. The uncertainty of the present situation, in the normal course of business may cast significant doubt on the</p>	<p>Our audit procedures related to and include the following:</p> <p>We enquired about the Management's future plans and its ability to mitigate the present situation on near term basis. Although the Company's revenue has been dependent on automobile sector; the</p>

Company's ability to continue as a going concern in near term.	Management is confident of its efforts to mitigate the present situation as the Company has an established track record of accessing diverse customer base, across markets in India and abroad. We have additionally sought and studied the company's future business projections submitted by the management to external credit institutions. However, there can be no assurance of the success of management's plans.
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Emphasis of Matter- Corona developments

The developments surrounding the Corona (Covid-19) virus have a profound impact on people's health and on our society as a whole, as well as on the operational and financial performance of organizations. The situation changes on a daily basis giving rise to inherent uncertainty. The Company is confronted with this uncertainty as well, which has been disclosed in the Note 29. (1).(a). (4) to the Ind AS financial results, together with its evaluation thereof. We draw attention to these disclosures. Our opinion is not modified in respect of this matter.

Management's Responsibility for the standalone IND AS Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the SAs will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of the user taken on the basis of the these standalone IND AS financial statements.

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

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

statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - i) We have sought and except for the matters described in the **"Basis for Qualified opinion"** paragraph above obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii) Except for the possible effects of the matters described in the **"Basis for Qualified opinion"** paragraph above, 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;
 - iii) The balance sheet, the statement of profit and loss, including Other Comprehensive income, statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;
 - iv) Except for the possible effects of the matters described in the **"Basis for Qualified opinion"** paragraph, the aforesaid standalone financial statements

comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013.

- v) The matters described in the “**Basis for Qualified opinion**” paragraph above, in our opinion may not have an adverse effect on the functioning of the company.
- vi) On the basis of written representations received from the directors of the company as on 31st March 2020, none of the directors is disqualified to be appointed as director in terms of section 164(2) of the act.
- vii) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the “**Basis for Qualified opinion**” paragraph above.
- viii) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Annexure ‘B’. our report expresses a unmodified opinion on the adequacy and operating effectiveness of the company’s financial controls over financial reporting
- ix) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements under note 29.2. (i).
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For Mishra and co.,
Chartered Accountants
Firm Registration No. 012355S
Sd/-
CA Nilamadhab Mishra
Proprietor
Membership No. 223157

UDIN: 202223157AAA AHM6440

Place: Bangalore

Date: 26 June 2020

Annexure A referred to in paragraph 1 under the heading " Report on Other Legal and Regulatory Requirements " of our report of even date

- i. (a) The Company has maintained records of fixed assets showing value, location and nature of assets. However, description and quantitative details of fixed assets have been maintained.
- (b) The Company has not conducted physical verification of fixed assets during the financial year. All the title deeds of immovable properties are held in the name of the Company.

- ii. (a) According to the information and explanations given to us, the company had conducted physical verification of inventory on reasonable interval. However, the nation wide lock down due to the COVID19 pandemic, the company could not conduct physical verification of inventory on the reporting date. Accordingly The quantity, rate per unit, location, condition, the carrying value of Inventory has been considered, as certificated by the Management on the reporting date.
 (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. (a) The Company has not granted secured/unsecured loan to parties covered in the register maintained under section 189 of the Companies Act, 2013 during the financial year.
- iv. In our opinion and according to the information and explanation provided to us, the provisions of section 185 and 186 of The Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable have been complied, subject to certain transactions which require special resolution at general meeting to bring into conformity with the rules of these sections on the reporting date.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year and therefore, the provisions of the clause 3(V) of the order is not applicable to the company.
- vi. The Central Government has not prescribed maintenance of cost of records by the Company under section 148(1) of the Companies Act, 2013 for any of the products. Hence reporting under clause 3(vi) of the order is not applicable to the company.
- vii. According to the information and explanations given to us :
 (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, customs duty, cess and other material statutory dues applicable to it.
 (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, customs duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 (c) According to the records of the Company, there are no dues outstanding of income-tax, goods and service tax, customs duty, and cess on account of any dispute.
- viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders. The Company has not borrowed any funds from the government.
- ix. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained. There was no money raised by way of initial public offer or further public offer(including debt instruments) during the financial year 2019-20.

- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanation provided to us, and based on our examination of the records of the company, the company has paid/provided managerial remuneration in accordance with requisite approval mandated by the provisions of section 197 read with schedule V of the Act,
- xii. In our opinion and according to explanation provide to us, the Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the order is not applicable to the company.
- xiii. According to the information and explanation provided to us, for all transactions with the related parties and the details of related parties and the details of related party transactions are in compliance with sections 177 & 188 of the Companies Act, 2013 wherever applicable, for all transactions with the related parties and the details of such related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. The Company has not made any preferential allotment/ private placement of shares or fully or partly convertible debentures during the financial year. Therefore, the provisions of clause 3(xiv) of the order is not applicable.
- xv. According to the information and explanation provided to us, the company has not entered into any non-cash transaction with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Mishra & Co.,
Chartered Accountants
Firm Registration No: 012355S
Sd/-
CA Nilamadhab Mishra
Proprietor
Membership No.223157

UDIN: 202223157AAAAHM6440
Place: Bengaluru
Date: 26 June 2020

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

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

We have audited the internal financial controls over financial reporting of **HITCO TOOLS LIMITED** (“the Company”) as on 31st March 2020, 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 control 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 the 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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, to the best of our information and according to the explanations given to us, 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 31st March 2020, 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 Mishra & Co.,
Chartered Accountants
Firm Registration No: 012355S

Sd/-
CA Nilamadhab Mishra
Proprietor
Membership No.223157

UDIN: 202223157AAAAHM6440
Place: Bengaluru
Date: 26 June 2020

PART I –BALANCE SHEET

Name of the Company- **Hittco Tools Limited**

Balance Sheet as at **31st March 2020**

(Amount in Rs.)

Particulars	Notes	As at 31st March 2020	As at 31st March 2019
(1) ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	1	3,25,79,254	3,84,38,190
(b) Other Intangible assets	2	4,30,593	1,26,944
(c) Financial Assets			-
(i) Other financial Assets	3	47,27,650	44,71,006
(f) Deferred tax assets (net)	13	-	-
(g) Other non-current assets		-	-
Total Non-Current Assets		3,77,37,497	4,30,36,141
(2) Current assets			
(a) Inventories	4	92,57,729	1,14,17,819
(b) Financial Assets			-
(i) Trade receivables	5	1,67,09,619	1,81,43,179
(ii) Cash and cash equivalents	6	29,79,158	37,25,623
(c) Current Tax Assets (Net)		-	-
(c) Other current assets	7	25,20,605	21,81,228
Total Current Assets		3,14,67,110	3,54,67,849
Total Assets		6,92,04,607	7,85,03,990
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	8	6,32,06,970	6,32,06,970
(b) Other Equity	9	(4,24,98,012)	(3,37,64,992)
Total Equity		2,07,08,958	2,94,41,978
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	10	3,34,47,234	3,54,27,484
(ii) Other financial liabilities	11	29,57,917	30,83,843
(b) Provisions	12	26,28,453	24,97,979
(c) Deferred tax liabilities (Net)	13	-	-
Total Non-Current Liabilities		3,90,33,604	4,10,09,306

Current liabilities			
(a) Financial Liabilities			-
(i) Borrowings		-	-
(ii) Trade payables	14	56,58,341	51,26,397
(iii) Other financial liabilities	15	26,48,017	19,61,230
(b) Provisions	16	6,24,480	8,32,958
(c) Current Tax Liabilities (Net)		-	-
(d) Other current liabilities	17	5,31,207	1,32,120
Total Current Liabilities		94,62,045	80,52,705
Total Equity and Liabilities		6,92,04,607	7,85,03,990

Significant Accounting policies and notes to accounts 29-33

The accompanying notes are an integral part of these financial statements

For and on behalf of the board of directors of
HITCO TOOLS LIMITED

This is the balance sheet referred to in our
report of even date

Sd/-
Surendra Bhandari
Managing Director
DIN: 00727912

Sd/-
Sidharth Bhandari
Director
DIN: 00237174

Sd/-
For Mishra & Co.,
Chartered Accountants
Firms' Registration No.012355S

Sd/-
Yashvardhan Bhandari
Director & CFO
DIN: 06688573

Sd/-
Rajib Ghosh Roy
CEO

Sd/-
CA Nilamadhab Mishra
Proprietor
Membership No.223157

Place: Bengaluru
Date: 26 June 2020

Place: Bengaluru
Date: 26 June 2020

PART II – STATEMENT OF PROFIT AND LOSS

Name of the Company- Hittco Tools Limited
Statement of Profit and Loss for the period ended 31st March 2020

(Amount in Rs.)

	Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
I	Revenue From Operations	18	5,63,78,092	7,12,59,859
II	Other Income	19	11,18,790	1,16,686
III	Total Income (I+II)		5,74,96,882	7,13,76,545
IV	EXPENSES			
	Cost of materials consumed	20	2,06,02,649	2,52,14,158

	Purchase of Stock-in-Trade		-	-
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	21	22,47,016	43,18,096
	Employee benefits expense	22	1,57,95,343	1,56,03,393
	Finance costs	23	39,18,899	36,41,025
	Depreciation and amortization expense	24	71,42,476	70,03,179
	Other expenses	25	1,62,64,915	1,54,34,698
	Total expenses (IV)		6,59,71,297	7,12,14,549
V	Profit/(loss) before exceptional items and tax (I- IV)		(84,74,415)	1,61,996
VI	Exceptional Items	26	-	27,561
VII	Profit/(loss) before tax (V-VI)		(84,74,415)	1,89,557
VIII	Tax expense:	27		
	(1) Current tax		31,290	-
	(2) Deferred tax	13	-	(13,50,811)
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		(85,05,705)	15,40,368
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII	Profit/(loss) for the period (IX+XII)		(85,05,705)	15,40,368
XIV	Other Comprehensive Income (net of tax)			
	Items that will be subsequently not re-classified to Profit & Loss Statement			
	Re-measurement of Defined Benefit Obligations/Assets	29.2 (viii)	(2,27,315)	(6,42,023)
XV	Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		(87,33,020)	8,98,345
XVI	Earnings per equity share (for continuing operation):			
	(1) Basic	28	(1.45)	0.15
	(2) Diluted		(1.45)	0.15

XVII	Earnings per equity share (for discontinued operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings per equity share (for discontinued & continuing operations)			
	(1) Basic	28	(1.45)	0.15
	(2) Diluted		(1.45)	0.15

Significant Accounting policies and notes to accounts 29-33

The accompanying notes are an integral part of these financial statements

For and on behalf of the board of directors of
loss
HITCO TOOLS LIMITED

This is the statement of profit and
referred to in our report of even date

Sd/-
Surendra Bhandari
Managing Director
DIN: 00727912

Sd/-
Sidharth Bhandari
Director
DIN: 00237174

Sd/-
For Mishra & Co.,
Chartered Accountants
Firms' Registration No.012355S

Sd/-
Yashvardhan Bhandari
Director & CFO
DIN: 06688573

Sd/-
Rajib Ghosh Roy
CEO

Sd/-
CA Nilamadhav Mishra
Proprietor
Membership No.223157

Place: Bengaluru
Date: 26 June 2020

Place: Bengaluru
Date: 26 June 2020

Hittco Tools Limited
Cash Flow Statement for the year ended 31st March 2020

Particulars	Year Ended 31st March 2020	Year ended 31st March 2019
A. Cash Flow from Operating Activities		
Profit before Taxation and extraordinary items (before taxes)	(84,74,415)	1,89,557
Adjustments for Depreciation	71,42,476	70,03,179
(Profit)/Loss on sale of Tangible assets	-	27,561
Finance Charges	39,18,899	36,41,025
Interest Income	(62,523)	(84,175)
Investment Income	-	-
Other Non cash adjustments	(2,22,767)	-
Operating Profit before working capital changes		

TWENTY-SIXTH ANNUAL REPORT

	23,01,669	1,07,77,147
<u>Changes in Working Capital:</u>		
(Increase)/Decrease in Trade Receivables	14,33,560	35,98,278
(Increase)/Decrease in Inventories	21,60,090	38,95,892
(Increase)/Decrease in Other non-current financial assets	(2,56,644)	29,66,324
(Increase)/Decrease in Other Non Financial assets	(3,39,377)	19,43,356
Increase/(Decrease) in Trade Payables	5,31,944	(31,72,263)
Increase/(Decrease) in Provisions	(2,08,478)	(11,74,563)
Increase/(Decrease) in Other Financial Liabilities	6,86,786	(53,44,983)
Increase/(Decrease) in Other Current Liabilities	3,99,087	(41,91,550)
Cash generated from Operations	67,08,638	92,97,638
Less: Taxes paid (Net of refunds)	31,290	-
Net cash generated from operations before extraordinary items	66,77,348	92,97,638
Net cash generated from operating activities	66,77,348	92,97,638
B. Cash Flow from Investing Activities		
Sale of Property, Plant and Equipment	-	17,44,878
Interest received	62,523	84,175
Purchase of Property, Plant & Equipment, Intangible assets	(15,87,188)	(1,29,59,790)
Net Cash used in Investing Activities	(15,24,665)	(1,11,30,737)
C. Cash flow from Financing Activities		
Increase/(Repayment) of borrowings	(19,80,250)	1,80,52,077
Interest and other finance costs paid	(39,18,899)	(36,41,025)
Net cash used in Financing activities	(58,99,149)	1,44,11,052
Net increase in cash and cash equivalents	(7,46,466)	1,25,77,953
Cash and Cash equivalents at the beginning of the year	37,25,623	(88,52,330)
Cash and Cash equivalents at the end of the year	29,79,157	37,25,623

Reconciliation of Cash and Cash equivalents as per the cash flow statement:-

Cash and Cash Equivalents as per above comprises of the following

	31st Mar 2020	31st Mar 2019
Cash and Cash Equivalents		

	29,79,158	37,25,623
Bank overdrafts	-	-
Balance as per statement of cash flows	29,79,158	37,25,623

Notes:

1. Cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 -Cash flow statements
2. Cash and cash equivalents represent cash and bank balances.
3. Previous year's figures have been regrouped/reclassified wherever applicable.

The accompanying notes are an integral part of these financial statements

For and on behalf of the Board of Directors of
HITCO TOOLS LIMITED

This is the cash flow statement referred to
in our report of even date

Sd/-
Surendra Bhandari
Managing Director
DIN: 00727912

Sd/-
Sidharth Bhandari
Director
DIN: 00237174

Sd/-
For Mishra & Co.,
Chartered Accountants
Firms' Registration No.012355S

Sd/-
Yashvardhan Bhandari
Director & CFO
DIN: 06688573

Sd/-
Rajib Ghosh Roy
CEO

Sd/-
CA Nilamadhab Mishra
Proprietor
Membership No.223157

Place: Bengaluru
Date: 26 June 2020

Place: Bengaluru
Date: 26 June 2020



STATEMENT OF CHANGES IN EQUITY

Name of the Company- **Hittco Tools Limited**
Statement of Changes in Equity for the period ended **31st March 2020**.

	Issued and paid up capital at 01st April 2018	Changes in equity share capital during the year 2018-19	Balance at 31st March 2019	Changes in equity share capital during the year 2019-20	Balance at 31st March 2020
A. Equity Share Capital	6,32,06,970	-	6,32,06,970	-	6,32,06,970
Total Equity Share Capital	6,32,06,970	-	6,32,06,970	-	6,32,06,970

B. Other Equity

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Revaluation Surplus	Other items of Other Comprehensive Income	Total of Other Equity
			Capital Reserve	Securities Premium Reserve	Other Reserves	Retained Earnings					
Balance at the 01st April 2018	-	-	30,00,000	1,32,00,000	-	(5,08,63,337)	-	-	-	-	(3,46,63,337)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-	(6,42,023)	-	-	-	-	(6,42,023)
Dividends	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	15,40,368	-	-	-	-	15,40,368
Balance at the 31st March 2019	-	-	30,00,000	1,32,00,000	-	(4,99,64,991)	-	-	-	-	(3,37,64,991)
Balance at the 31st March 2019	-	-	30,00,000	1,32,00,000	-	(4,99,64,991)	-	-	-	-	(3,37,64,991)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-	(2,27,315)	-	-	-	-	(2,27,315)
Dividends	-	-	-	-	-	-	-	-	-	-	-
Profit / (loss) for the year	-	-	-	-	-	(85,05,705)	-	-	-	-	(85,05,705)
Balance at the 31st March 2020	-	-	30,00,000	1,32,00,000	-	(5,86,98,012)	-	-	-	-	(4,24,98,012)

The accompanying notes are an integral part of these financial statements

For and on behalf of the Board of Directors of
HITCO TOOLS LIMITED

This is the statement of changes in equity referred to in our report of
even date

Sd/-
Surendra Bhandari
Managing Director
DIN: 00727912

Sd/-
Sidharth Bhandari
Director
DIN: 00237174

Sd/-
For Mishra & Co.,
Chartered Accountants
Firms' Registration No.0123555

Sd/-
Yashvardhan Bhandari
Director & CFO
DIN: 06688573

Sd/-
Rajib Ghosh Roy
CEO

Sd/-
CA Nilamadhab Mishra
Proprietor
Membership No.223157

Place: Bengaluru
Date: 26 June 2020

Place: Bengaluru
Date: 26 June 2020



HITCO TOOLS LIMITED
Notes Forming Integral Part of the Balance Sheet as at 31st March , 2020

Notes : 1 - Property, Plant & Equipment for the year ended 31st March 2020.

Sr. No	Particulars	Cost or Deemed Cost				Depreciation Block				Carrying Amount
		Balance as on 01.04.2019	Additions during the year	Disposals/Adjustments during the year	Balance as on 31.03.2020	Balance as on 01.04.2019	Depreciation expense	Disposals	Balance as on 31.03.2020	As on 31.03.2020
I	Tangible Assets									
	Building	1,40,39,323	-	-	1,40,39,323	75,68,759	7,38,586	-	83,07,345	57,31,978
	Leasehold Properties	5,28,661	-	-	5,28,661	3,89,236	30,140	-	4,19,376	1,09,285
	Furniture & Fittings	21,07,947	-	-	21,07,947	18,23,756	81,337	-	19,05,093	2,02,854
	Office Equipment	26,00,625	-	-	26,00,625	23,88,738	51,788	-	24,40,527	1,60,098
	Vehicles	1,07,32,783	11,61,900	-	1,18,94,683	96,25,938	4,12,782	-	1,00,38,721	18,55,962
	Plant & Machinery	11,83,96,117	-	-	11,83,96,117	8,83,47,171	56,74,832	-	9,40,22,003	2,43,74,114
	Computers	26,27,170	4,000	-	26,31,170	24,50,837	35,371	-	24,86,208	1,44,962
					-				-	
	Total	15,10,32,626	11,65,900	-	15,21,98,526	11,25,94,435	70,24,837	-	11,96,19,272	3,25,79,254

Notes : 2 Intangible Assets for the year ended 31st March 2020.

Sr. No	Particulars	Cost or Deemed Cost				Balance as on 01.04.2019	Amprtization expense	Disposals	Balance as on 31.03.2020	Carrying Amount
		Balance as on 01.04.2019	Additions during the year	Disposals/Adjustments during the year	Balance as on 31.03.2020					As on 31.03.2020
I	Intangible Assets									
	Computer Software	5,56,112	4,21,288	-	9,77,400	4,29,168	1,17,639	-	5,46,807	4,30,593
					-				-	
	Total	5,56,112	4,21,288	-	9,77,400	4,29,168	1,17,639	-	5,46,807	4,30,593

Notes : 1 Property, Plant & Equipment for the year ended 31st March 2019.

Sr. No	Particulars	Cost or Deemed Cost				Balance as on 01.04.2018	Depreciation expense	Disposals	Balance as on 31.03.2019	Carrying Amount
		Balance as on 01.04.2018	Additions during the year	Disposals/Adjustments during the year	Balance as on 31.03.2019					As on 31.03.2019
I	Tangible Assets									
	Building	1,40,39,323	-	-	1,40,39,323	67,27,468	8,41,291	-	75,68,759	64,70,564
	Leasehold Properties	5,28,661	-	-	5,28,661	3,50,802	38,434	-	3,89,236	1,39,425
	Furniture & Fittings	21,06,767	1,180	-	21,07,947	16,94,310	1,29,446	-	18,23,756	2,84,191
	Office Equipment	25,62,385	38,240.00	-	26,00,625	22,91,314	97,424	-	23,88,738	2,11,887
	Vehicles	1,07,32,783	-	-	1,07,32,783	91,17,699	5,08,239	-	96,25,938	11,06,845
	Plant & Machinery	11,26,19,697	1,28,54,843	70,78,423	11,83,96,117	8,83,50,013	53,03,143	53,05,985	8,83,47,171	3,00,48,946
	Computers	25,61,643	65,527	-	26,27,170	24,08,961	41,875	-	24,50,837	1,76,333
					-				-	
	Total	14,51,51,259	1,29,59,790	70,78,423	15,10,32,626	11,09,40,567	69,59,853	53,05,985	11,25,94,435	3,84,38,190

Notes : 2 Intangible Assets for the year ended 31st March 2019.

Sr. No	Particulars	Cost or Deemed Cost				Balance as on 01.04.2018	Depreciation expense	Disposals	Balance as on 31.03.2019	Carrying Amount
		Balance as on 01.04.2018	Additions during the year	Disposals/Adjustments during the year	Balance as on 31.03.2019					As on 31.03.2019
I	Intangible Assets									
	Computer Software	5,56,112	-	-	5,56,112	3,85,842	43,326	-	4,29,168	1,26,944
					-				-	
	Total	5,56,112	-	-	5,56,112	3,85,842	43,326	-	4,29,168	1,26,944

Notes to Financial Statement for the year ended 31st March 2020

3 Other Financial Assets(Non Current)

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured, Considered good	-	-
Security Deposits	14,75,312	15,31,413
Total	14,75,312	15,31,413
Fixed deposits with maturity more than 12 months	32,52,338	29,39,593
Total	47,27,650	44,71,006

4 Inventories

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Raw materials	10,82,719	8,39,001
(b) Work-in-progress	3,64,421	7,34,151
(c) Finished goods	59,85,763	78,63,049
(d) Consumables Stores and Spares	18,24,826	19,81,618
Total	92,57,729	1,14,17,819

5 Trade Receivables

Particulars	As at 31.03.2020	As at 31.03.2019
Current		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- Secured, considered good	-	-
- Unsecured, considered good	65,01,983	43,34,848
- Doubtful	-	-
Less : Provision	-	-
Total	65,01,983	43,34,848
Other Trade receivables		
- Secured, considered good	-	-
- Unsecured, considered good	1,02,07,636	1,38,08,331
- Doubtful	-	-
Less : Provision	-	-
Total	1,02,07,636	1,38,08,331
Total	1,67,09,619	1,81,43,179

6 Cash and Cash Equivalents

Particulars	As at 31.03.2020	As at 31.03.2019
Balances with Banks	-	-
In current Accounts	21,62,714	11,30,951
In other Bank Accounts	-	25,04,286
Cash and Cash equivalents:	-	-
Cash on hand	8,16,444	90,387
Total	29,79,158	37,25,623

7 Other Current Assets

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured, considered good		
i)Advances other than capital advances:		
Advance to related parties	17,37,410	7,38,194
Advances to suppliers	2,85,906	2,85,906
Staff Advances	70,100	67,299
ii) Prepaid Insurance	-	1,03,790
iii) Balances with Statutory & Govt authorities	2,44,226	7,63,429
iv) Others	1,82,962	2,22,610
Total	25,20,605	21,81,228

8 Share Capital

Particulars	As at 31st March 2020		As at 31st March 2019	
	No.Of Shares	Amount (Rs/-)	No.Of Shares	Amount (Rs/-)
Authorised Share Capital: 70,00,000 (March 31,2018 :70,00,000) Equity Shares of Rs.10/- each	70,00,000	7,00,00,000	70,00,000	7,00,00,000
Issued Share Capital 61,59,847 (March 31,2018 : 61,59,847) Equity Shares of Rs.10/- each	61,59,847	6,03,60,470	61,59,847	6,03,60,470
Subscribed and fully Paid up: 59,12,247 (March 31, 2018 : 56,12,247) Equity Shares of Rs. 10/- fully paid up	59,12,247	5,91,22,470	59,12,247	5,91,22,470
Subscribed and partly Paid up: 247,600 (March 31, 2018 : 247,600) Equity Shares of Rs.5/- Partly paid up	2,47,600	12,38,000	2,47,600	12,38,000
Forfeited Shares:				

569,300 (March 31, 2018 : 569,300) Equity Shares of Rs. 5/- not reissued	5,69,300	28,46,500	5,69,300	28,46,500
Total	67,29,147	6,32,06,970	67,29,147	6,32,06,970

Terms/Rights attached to equity share holders

The Company has only one class of shares, referred to as equity shares, having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share held.

The Company declares and pays dividend in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Dividend, if any, is payable to the shareholders in proportion to their shareholding.

The Company has not declared any dividend during the year.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Reconciliation of number of Shares outstanding at the beginning and as on 31st March 2020

Particulars	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	Amount (Rs/-)	No. of Shares	Amount (Rs/-)
Balance as at the beginning of the previous year				
Fully paid up (Rs. 10/- each)	59,12,247	5,91,22,470	59,12,247	5,91,22,470
Partly paid up (Rs. 5/- each)	2,47,600	12,38,000	2,47,600	12,38,000
Add: Shares issued during the year			-	-
Less : Shares bought back during the year			-	-
Balance as at the end of the year	61,59,847	6,03,60,470	61,59,847	6,03,60,470

Details of Shares held by shareholders, holding more than 5% of the aggregate shares in the Company:

Particulars	As at 31.3.2020		As at 31.3.2019	
	No. of shares	Percentage	No. of shares	Percentage
Surendra Bhandari	10,00,684	16.25%	10,00,684	16.25%
Hittco Properties LLP	6,52,044	10.59%	6,52,044	10.59%
B I Holdings (Bangalore) LLP	9,17,064	14.89%	9,17,064	14.89%
Sidharth Bhanadari	3,92,699	6.38%	3,92,699	6.38%
Total	29,62,491	48.11	29,62,491	48.11

9 Reserves and Surplus	31st March 2020	31st March 2019
Capital reserve	30,00,000	30,00,000
Securities Premium	1,32,00,000	1,32,00,000
Retained Earnings		
Balance at the beginning of the year	(4,99,64,991)	(5,08,63,337)
Add: Profit/(loss) for the year	(85,05,705)	15,40,368
Items of other comprehensive income recognized directly in retained earnings:		
Remeasurement of post-employment benefits obligation, net of tax	(2,27,315)	(6,42,023)
Balance at the end of the year	(5,86,98,012)	(4,99,64,992)
Total Reserves and Surplus	(4,24,98,012)	(3,37,64,992)

10. Non Current Borrowing

Particulars	As at 31.03.2020	As at 31.03.2019
Secured:		
Term Loans from Banks	3,46,89,375	3,59,50,377
Less : Current Maturities of Long term Debt	12,42,141	5,22,893
Total Secured Non Current Borrowings	3,34,47,234	3,54,27,484
Unsecured		
Loans from related parties:	-	-
Total Unsecured Non Current Borrowings	-	-
Total	3,34,47,234	3,54,27,484

Note: Terms of Repayment of Non Current Borrowings , Nature of Security and interest rate

Borrowings	Repayment Terms EMI p.m	Security	Finance Charges	Maturity Date	Total Loan Tenure
a) Term Loans from Banks - ECL Financial Ltd	3,46,130	Hypothecation of Property (refer note below *)	10.70% p.a	5th February 2039	248 months
b) Vehicle loans - Car Finance					

Kotak Mahindra Prime Ltd Car Loan **	47,500	Hypothecation of Vehicle	MCLR rate + Spread	05th Aug 2023	36 months
Kotak Mahindra Prime Ltd - CF 17428590	14,992	Hypothecation of Vehicle	MCLR rate + Spread	05th Aug 2023	48 months

ii). ECL Term Loan of Rs.34,207,579/- had been borrowed in the July month of 2018.

Nature of Security:*

All the banking facilities sanctioned by the Bank are primarily secured by extension of charge over all existing and future current assets/ moveable Fixed assets of the company and also further collaterally secured by:

i). Collateral Security over residential properties located at Plot no 78, Peenya Industrial area, 3rd Stage ,Bangalore owned by Hindustan Tools Corporation for which Surendra Bhandari is the proprietor.

ii). All the banking facilities are further personally guaranteed by two directors (Surendra Bhandari and Siddharth Bhandari) .

** The entire outstanding balance as on the reporting date has been disclosed under 'Current maturities of Non Current Borrowings'.

11. Other Financial Liabilities (Non Current)

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured, Considered good Security Deposits	29,57,917	30,83,843
Total	29,57,917	30,83,843

12. Non-Current Provisions

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for Employee Benefits	26,28,453	24,97,979
Total	26,28,453	24,97,979

13. Deferred Tax Liability / (Assets):

The balance comprises temporary differences attributable to :

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Tax Liabilities		
Property, Plant and Equipment, Intangible assets	1,64,000	7,40,000

Financial assets at Fair value through other comprehensive income	63,000	(1,76,877)
Deferred Tax assets		
Attributable to:		
Expenses allowable for tax purposes when paid	79,000	3,66,000
Carry forward loss	(3,06,000)	(9,29,123)
Total	-	-

Movement in Deferred tax liabilities tax liabilities

Particulars	Property, Plant and Equipment and intangible assets	Financial assets at FVOCI	Expenses allowed for tax purposes when paid	On Carry forward of loss	Total
As at 01st April 2018	10,72,000	2,11,811	67,000	-	13,50,811
Charged/(Credited)					
- to Profit or Loss	(3,32,000)		2,99,000	(9,29,123)	(9,62,123)
- to Other Comprehensive Income	-	(3,88,689)	-	-	(3,88,689)
As at 31st March 2019	7,40,000	(1,76,877)	3,66,000	(9,29,123)	-
Charged/(Credited)					
- to Profit or Loss	(5,76,000)	-	(2,87,000)	6,23,123	(2,39,877)
- to Other Comprehensive Income	-	2,39,877	-	-	2,39,877
As at 31st March 2020	1,64,000	63,000	79,000	(3,06,000)	-

Note:

On the basis of principle of prudence, deferred tax assets on unaborsbed losses and carry forward of losses have been recognised to the extent of that there is a reasonable certainty of their realisation.

14. Trade Payables

Particulars	As at 31.03.2020	As at 31.03.2019
- Dues of MSME *	-	-
- Others	56,58,341	51,26,397
Total	56,58,341	51,26,397

* The company has not received any intimation from the suppliers regarding status under Micro, Small and Medium Enterprises Development Act, 2006(the Act) and hence disclosures regarding the same cannot be furnished in the financial statements. Further, the Company is making efforts to get the confirmation from the suppliers as regard their status under the act on the reporting date.

15 Other Financial Liabilities (Current):

Particulars	As at 31.03.2020	As at 31.03.2019
(i) Current maturities of Non Current Borrowings *	12,42,141	5,22,893
(ii) Other Payables		
a) Payable to employees	10,02,639	9,87,624
b) Creditors for expenses	4,03,237	4,50,713
Total	26,48,017	19,61,230

* Details of Current maturities of long-term borrowings

Particulars	As at 31.03.2020	As at 31.03.2019
Loans from Banks (Refer note (10) for details)	5,81,676	5,22,893
Vehicle loans - Car Finance (Refer note (10) for details)	6,60,465	-
Total	12,42,141	5,22,893

16 Provisions

Particulars	As at 31.03.2020	As at 31.03.2019
Current		
Provision for Employee benefits	6,24,480	8,32,958
Total	6,24,480	8,32,958

17 Other Current liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Statutory Liabilities	5,31,207	1,32,120
Others	-	-
Total	5,31,207	1,32,120

18 Revenue from Operations

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
(a) Sale of Products - Finished goods	5,63,78,092	7,12,59,859
Total	5,63,78,092	7,12,59,859

19 Other Income

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
(a) Interest Income	62,523	84,175
(b) Other non-operating income	10,56,267	32,511
Total	11,18,790	1,16,686

20 Cost of Material consumed

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Opening stock of Raw Materials	8,39,001	5,16,649
Opening stock of consumables	19,81,618	18,81,766
Add: Purchase of Raw Materials & incidental expenses	1,79,13,979	2,22,99,375
Add: Purchases of Consumables	27,75,596	33,36,987
	2,35,10,194	2,80,34,777
Less: Closing stock of Raw Materials	10,82,719	8,39,001
Less: Closing stock of consumables	18,24,826	19,81,618
	29,07,545	28,20,619
Raw material consumed	2,06,02,649	2,52,14,158

21 Changes in inventory of finished goods , work in Progress and Stock in Trade

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
(Increase)/Decrease in Stocks		
Inventories at the end of the year:		
Finished Goods	59,85,763	78,63,049
Work-in-Progress	3,64,421	7,34,151
Stock in Trade	-	-
TOTAL A	63,50,184	85,97,200
Less: Inventories at the beginning of the year		
Finished Goods	78,63,049	88,74,514
Work-in-Progress	7,34,151	17,79,353
Stock in Trade	-	22,61,429
TOTAL B	85,97,200	1,29,15,296
Total Changes in inventory of finished goods , work in Progress and Stock in Trade (B-A)	22,47,016	43,18,096

22 Employee Benefit Expenses

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Salaries ,Wages & Bonus	1,39,57,492	1,35,26,887
Contribution to Provident and other funds		
i.Contribution to Provident fund	5,46,582	5,88,525
ii.Contribution to Employee State Insurance	1,75,917	2,31,926
Gratuity	2,98,991	3,73,813
Leave encashment	2,62,245	4,77,789
Staff welfare expenses	5,54,116	4,04,453
Total	1,57,95,343	1,56,03,393

23 Finance Costs

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Finance Charges	38,20,117	29,01,570
Other Borrowing costs	98,782	7,39,455
Total	39,18,899	36,41,025

24 Depreciation and Amortisation

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Depreciation of Property, Plant and Equipment	70,24,837	69,59,853
Amortisation of Intangible assets	1,17,639	43,326
Total	71,42,476	70,03,179

25 Other Expenses

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Power and Fuel	31,82,964	31,13,541
Bad debts & other balances written off	-	14,13,670
Annual listing fees	3,00,000	2,50,000
Repairs and Maintenance – Plant and Machinery	6,63,564	3,43,104
Repairs and Maintenance – Building	4,04,999	11,89,790
Insurance	2,68,034	2,26,337
Donation	2,50,000	-
Rates and Taxes	1,46,725	4,86,484
Rent	3,82,450	1,77,097
Travelling & Conveyance Expenses	32,78,557	20,80,852
Statutory Audit fees	80,000	80,000
Postage and courier charges	6,70,306	8,74,233
Professional and consultancy charges	7,75,451	7,03,927
Printing & Stationary	64,537	1,00,952
Business Promotion expenses	33,69,169	21,21,688
Internet & Telephone Expenses	99,654	1,91,545
Transportation Charges	2,32,574	8,32,831
Security Charges	5,34,306	5,01,530
Other expenses	15,61,625	7,47,116
Total	1,62,64,915	1,54,34,698

26 Exceptional items

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Loss on sale of Fixed asset	-	27,561
Total	-	27,561

27 Taxes

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Current taxes		
- Income Tax AY 2019-20 (MAT)	31,290	-
- Income Tax AY 2020-21		
Total	31,290	-
Deferred taxes		
DTL (Reversal)	-	(13,50,811)
Deferred tax assets	-	-
Total	-	(13,50,811)
Total	31,290	(13,50,811)

28 Earnings Per Equity Share

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Profit/(loss) after tax	(87,33,020)	8,98,345
Weighted average number of equity shares	60,36,047	60,36,047
Basic and diluted earnings/(loss) per share(INR)	(1.45)	0.15
Face value per share(INR)	10	10

Hittco Tools Limited

Notes to financial statements for the Year ended 31st March 2020

I. Corporate Information

Hittco Tools Ltd is an ISO 9001-2008 Certified cutting tools company Incorporated in year 1995 doing cutting tools manufacturing of HSS Drills, Taps and carbide tools.

The registered office of the company is located at HTC aspire, 19, Ali Asker Road, 2nd Floor Bangalore, Karnataka Hittco Tools Ltd shares are listed in Bombay Stock Exchange.

29.1. Significant Accounting Policies

a) Basis of preparation

1. Compliance with Ind AS

The Company's financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements upto the year ended 31 March 2017 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 as amended and other relevant provisions of the Act/Previous GAAP.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2. *Basis of measurement*

The financial statements have been prepared on a historical cost basis, except for the following items

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Defined benefit plans	Plan assets measured at fair value

3. Use of estimates and judgments

The preparation of these financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialized. Estimates include the useful lives of property plant and equipment and intangible fixed assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, provisions for resurfacing obligations, fair value measurement etc.

4. Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of assets and liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be

recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

5. Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

Amounts in the financial statements are presented in Indian Rupees rounded off to two decimal places in line with the requirements of Schedule III

b) Current Asset:

An asset shall be classified as current when it satisfies any of the following criteria

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
 - (b) it is held primarily for the purpose of being traded.
 - (c) It is expected to be realized within twelve months after the reporting date, or
 - (d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date
- All other assets shall be classified as non-current.

c) Current Liabilities:

A liability shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded
- (c) it is due to be settled within twelve months after the reporting date : or
- (d) The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. All other liabilities shall be classified as non-current.

d) Borrowings:-

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of profit or loss over the period of borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligations specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of

a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of liability for at least 12 months after the reporting period.

e) Borrowing costs :-

Borrowing costs include interest calculated using the effective interest method, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Costs in connection with the borrowing of funds to the extent not directly related to the acquisition, construction or production of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs that are directly attributable to acquisition, construction or production of qualifying assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time for getting ready for its intended use or sale.

Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

f) Foreign Currency Translation:

I. Functional and presentation currency :

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (the functional currency). The financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

II. Transaction and balances :

Foreign currency transactions are translated into the functional currency using the exchange rates as at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end are generally recognized in profit and loss.

Foreign exchange differences regarded as adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/ (losses).

g) Employee Benefits

Employee benefits include Provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

I. Short term Employee Benefit

Liabilities for salaries and wages, including non-monetary benefits that are expected to be settled within 12 months after the end of the period in which the employee renders the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

II. other employment benefit obligations

1. Leave encashment: -

The liabilities for earned leave and sick leave which are not expected to be settled within 12 months after the end of the period in which the employee renders the related services are measured at present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity doesn't have an unconditional right to defer the settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2. Post-employment obligations: -

The company operates the following post-employment schemes: -

1. defined benefit plans such as gratuity
2. defined contribution plans such as provident fund

3. Gratuity obligations: -

The company provides for gratuity, a defined benefit plan covering eligible employees in accordance with the payment of Gratuity Act, 1972. The gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The defined benefit obligation is calculated annually by actuaries using the projected unit-credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows by reference to the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as part of service cost.

4. Defined benefit plans:

The company pays provident fund contributions to publicly administered provident funds. The company has no further payment obligations once the monthly contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

Contributions to employee's pension scheme, employee's state insurance are made as per statute and are recognized as an expense during the period in which the employees perform the services.

Termination benefits in the nature of voluntary retirement benefit plans are recognized in the statement of profit and loss as and when incurred.

h) Dividends: -

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

i) Impairment of assets: -

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amounts of the assets exceed the estimated recoverable amount, impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the higher of the fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimated future cash flows have not been adjusted.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent

the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

j) Provisions, contingent liabilities: -

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation. Provisions are not recognized for future operating losses.

Where the effect of time value of money is material, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognized as an interest expense.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity or where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the obligation can't be made.

k) Earnings per share: -

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year.

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

l) Leases

1. Finance Lease:-

Assets acquired under leases where the company has substantially all the risks and rewards of ownership are classified as finance leases. Such leases are capitalized at the inception of the lease at lower of fair value the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the finance charge, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

2. Operating Lease :-

Assets acquired under leases where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charges to the statement of profit and loss on a straight line basis over the period of the lease, unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

m) Trade and other payables: -

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

n) Inventories

Inventories are required to be stated at lower of cost or net realizable value.

Cost includes duties and taxes (other than those subsequently recoverable from taxation authorities) and is determined using the first in first out method. The cost of finished goods, work in progress comprises of direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other cost incurred in bringing the inventories to present location and condition. Due allowance is made for obsolete and slow moving items. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated costs necessary to make the sale.

o) Income taxes

The income tax expense or credit for the year is the tax payable on current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates, positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted if it arises from the initial recognition of an asset or liability that at the time of the transaction affects neither the accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses

Deferred tax assets and deferred tax liabilities are offset, when the entity has a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred tax balances relate to the same Taxation authority.

Current and deferred tax is recognized in profit or loss except to that it relates to items recognized in other comprehensive income or directly in equity wherein the related tax is also recognized in other comprehensive income or directly in equity respectively

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognized as an asset when it is highly probable that future economic benefit associated with it will flow to the entity.

p) Cash and Cash equivalents

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances. Bank borrowings are shown within borrowings in current liabilities in the balance sheet.

q) Cash flow statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit/ (loss) is adjusted for the effects of:

- (a) Transactions of a non-cash nature;
- b) Any deferrals or accruals of past or future operating cash receipts or payments and,
- (c) all other items of income or expense associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement.

r) Property, plant and equipment (PPE)

Freehold land is carried at historical cost. All other items of Property, plant and equipment are stated at historical cost less accumulated depreciation and cumulative impairment. Historical cost includes expenditure that is directly attributable to acquisition of the items. Cost also includes exchange differences arising only out of restatement/settlement of long term foreign currency monetary loan for acquisition of property, plant and equipment prior to the date of transition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Cost includes expenditure that is directly attributable to the qualifying asset and borrowing costs relating to qualifying asset are capitalized in accordance with Ind AS 23 Borrowing Costs. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use/sale.

Depreciation on assets has been provided on Written down value method over the useful lives as specified in the Schedule II of the Companies Act, 2013. Depreciation on additions/ deductions is calculated pro-rata from/ to the month of additions/ deductions.

An item of property, plant and equipment is derecognized upon disposal. Any gain or loss arising on the disposal of an item of property plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the statement or profit and loss.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost of property, plant and equipment on the transition date.

The useful lives of the assets are taken as per schedule II of the Companies act, 2013.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Nature of assets	Useful Life as per Schedule II
Factory Building	30 years
Plant & Machinery	8 years
Furniture & Fittings	10 years
Vehicles	8 years
Office equipment	5 years
End user devices such as desktops, laptops etc	3 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

s) Intangible assets:-

Intangible assets are amortized on a straight line basis over their estimated useful life.

Transition to Ind AS :

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at April 01, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost of intangible assets on the transition date.

t) Financial Instruments

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

u) Financial Assets

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets

Investments in debt instruments that meet the following conditions are subsequently measured at **amortized cost** (unless the same are designated as fair value through profit or loss (FVTPL))

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Interest income from these financial assets is included in finance income using the effective interest rate method.

Debt instruments that meet the following conditions are subsequently measured at fair value through **other comprehensive income** (unless the same are designated as fair value through profit or loss)

- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, foreign exchange gains and losses which are recognized in profit and loss.
- When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses)
- Interest income from these financial assets is included in other income using the effective interest rate method

v) Fair value through profit or loss:

Debt instruments that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

w) Impairment of financial assets:

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note No 33 details how the company determines whether there has been a significant increase in credit risk.

x) Derecognition of financial assets:

A financial asset is derecognized only when

- The company has transferred the right to receive contractual cash flows from the financial asset or
- Retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay cash flows to one or more recipients.

When the company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

When the company has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

y) Events after the reporting period

There were no, other events other than uncertainties relating to the global health pandemic from COVID-19 mentioned in Note No.(I).(a).(4). and Note No.(bb). occurring after the balance sheet affecting the aforesaid financial statements.

z) Deferred tax as per balance sheet approach:-

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profits and accounting profits for the period. Under IND AS, deferred tax is recognized following balance sheet approach on the timing differences between the carrying amount of asset or liability in the balance sheet and its tax base.

aa) Other Comprehensive Income :-

Under IND AS, all items of income and expenses recognized in the period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expenses that are not recognized in profit or loss but are shown in “other comprehensive income” includes remeasurements of defined benefit plans and fair value gain or losses on FVTOCI equity instruments. The concept of other comprehensive income doesn’t exist under previous GAAP.

bb) Revenue Recognition:-

Revenue is measured at the fair value of the consideration received or receivable. Revenue is presented net of indirect tax and returns, in the Statement of Profit and Loss.

Company recognizes revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity.

Revenue from sale of goods is recognized when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contract.

The Company has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to produce the goods which may require revision of estimations of costs to complete the production because of additional efforts;(ii) onerous obligations;(iii) penalties relating to breaches of agreements, and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material and significant based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

cc) Interest income :-

Interest income from debt instruments is recognized using the effective interest rate method.

dd) Security Deposits :-

Under the previous GAAP, Security deposits are recorded at their transaction value. Under IND AS, all financial assets are required to be recognized at fair value. **But considering the**

deposits being electricity/government deposits for which refundable time period is not defined/not available for discounting, we have not discounted the deposits.

ee) Trade receivables

As per IND AS 109, the company is required to apply expected credit loss model for recognizing the allowance for doubtful debts.

However considering the good past history of the company with regards to realization from trade receivables and no bad debts in the past history of the company, No allowance for doubtful debts has been made during the year.

Trade receivable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

ff) Bank overdrafts :-

Under IND AS, Bank overdrafts repayable on demand and which form an integral part of the cash management process are included in cash and cash equivalents for the purpose of presentation of statement of cash flows. Under previous GAAP, bank overdrafts were considered as part of borrowings and movement in bank overdrafts were shown as part of financing activities.

gg) Previous year comparatives

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

HITCO TOOLS LIMITED

NOTES FORMING PART OF ACCOUNTS

29.2 (i) Contingent Liabilities and Commitments

Particulars	As at 31.3.2020	As at 31.3.2019
Bank Guarantees	-	-
On account of capital contracts remaining to be executed	-	-
VAT Interest demand	-	-
Total	-	-

Note : A Case has been filed with 1st Addl.Labour court by S V Govindraju against the company. Another case is filed with the labour office 1 by the union employees for protected workmen case. No provision has been made in the books relating to this cases as the management is confident that matter will be decided in its favour

29.2 (ii) CIF value of Imports

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Raw Materials	52,34,378	1,20,08,952
Total	52,34,378	1,20,08,952

29.2 (iii) Expenditure Incurred in foreign currency

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Travelling expenses	7,25,153	11,93,188
Total	7,25,153	11,93,188

29.2 (iv) Details of Consumption and purchase

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
a) Details of Raw Materials Consumed		
H S S Steel	61,80,795	75,64,247
Carbide	1,44,21,854	1,76,49,911
Total	2,06,02,649	2,52,14,158
b) Details of value of imported and indigenous material consumed		
Raw Materials and Stores and Spares	Imported 57,92,886	Imported 1,19,76,871
Percentage	28.12%	47.50%
Raw Materials and Stores and Spares	Indigenous 1,48,09,763	Indigenous 1,32,37,287
Percentage	71.88%	52.50%
Total	2,06,02,649	2,52,14,158

29.2 (v) Dividend Remitted in Foreign Exchange

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Dividend paid during the year	Nil	Nil
Number of Non Resident Shareholders	1	1
Number of equity shares held by such Non Resident Shareholders	3,92,699	3,92,699
Year to which the Dividend relates to	Nil	Nil

29.2 (vi) EARNINGS IN FOREIGN CURRENCY

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Revenue from exports on FOB basis	25,25,687	37,90,204

29.2 (vii) Earnings per Share

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
(a) Basic earnings per share		
Profit after tax	(87,33,020)	8,98,345
Weighted average number of shares outstanding	60,36,047	60,36,047
Basic EPS	(1.45)	0.15
(b) Diluted earnings per share		
Profit after tax	(87,33,020)	8,98,345
Weighted average number of shares outstanding	60,36,047	60,36,047
Add: Weighted average number of potential equity shares	-	-
Weighted average number of shares outstanding for diluted EPS	60,36,047	60,36,047
Diluted EPS	(1.45)	0.15
Face value per share of Rs 10/-		

29.2 (viii) EMPLOYEE BENEFITS

The details required under Ind AS 19 – Employee Benefits are as follows;

The Employees' Gratuity Fund Scheme managed by the Hittco Tools Employees Group Gratuity Fund Trust is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to build up the final obligation.

Particulars	As at 31.3.2020	31.3.2019
Present value of Defined benefit obligation		
Obligations at Period beginning	22,49,334	29,24,237

Service cost	1,95,972	1,51,571
Interest cost	1,67,126	2,22,242
Actuarial (Gain) / Loss	2,27,315	6,42,023
Benefits paid	(5,56,273)	(16,90,739)
Obligations at Period at the end of the year	22,83,474	22,49,334
Defined benefit obligation liability, on account of gratuity, as at the Balance Sheet date has not been funded.		
Fair value of plan assets		
Plan assets at period beginning at fair value		-
Expected return on plan assets		-
Actuarial (Gain) / Loss		-
Employers' Contributions	5,56,273	16,90,739
Benefits paid	(5,56,273)	(16,90,739)
Plan assets at period end at fair value	-	-
Assets/liabilities recognised in the balance sheet		
Fair value of plan assets at period end	-	-
Asset / (Liability) recognised in the balance sheet	(22,83,474)	(22,49,334)
		-
Significant estimates: actuarial assumptions and sensitivity		
Discount rate	6.45%	7.43%
Estimated salary escalation rate	5.00%	5.00%
	Indian Assured Lives Mortality (2012-14) Table	100% of IALM 2006-08
Mortality rate	7.00%	7.00%
Withdrawal rate		
Gratuity expenses recognised in 'other comprehensive income'(net of taxes)	2,27,315	6,42,023
Gratuity Expenses recognised in the Profit or Loss	2,98,991	3,73,813

Sensitivity analysis

For the financial year 2019-20

Item / Change in assumptions	Impact in case of increase in assumption	Impact in case of decrease in assumption
Discount rate / 0.50 %	(61,563)	64,702

Salary inflation rate / 1%	65,300	(62,677)
Withdrawal rate / 5%	3,151	(3,326)

29.2 (ix) SEGMENT REPORTING

The Company is primarily engaged in one segment of manufacture and sale of tools, accordingly there is only one operating segment. Hence disclosures for operating segment, as envisaged in Ind AS 108 on segment reporting as notified under section 133 of the companies act, is not applicable.

However, the geographical information disclosures as envisaged in Ind 108 are disclosed below, under which domestic segment includes sales to customers located in India (country of domicile) and overseas segment include sales to customer located outside India.

There are no non-current assets located outside India, hence not specifically disclosed here.

Particulars	FY: 2019-20	FY: 2018-19
Sales Domestic	5,38,52,406	6,74,69,655
Overseas	25,25,687	37,90,204
Total	5,63,78,092	7,12,59,859

29.2 (x) Managerial Remuneration (including employer contribution to Provident fund where ever applicable)

Particulars	Remuneration	
	FY: 2019-20	FY: 2018-19
Rajib Gosh Roy - Chief Financial Officer	12,01,500	11,54,628
Huma M Tamatgar - Company Secretary	2,21,272	n.a.
Manjeet Kumar - erstwhile Company Secretary *	3,29,877	5,89,200
Surendra Bhandari - Managing Director	10,60,000	4,00,000
Total	28,12,649	21,43,828

As the future liability of Gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Directors is not ascertainable and therefore not included in above.

* Till July 2019

29.2 (xi) Derivative instruments and unhedged foreign currency exposure

Particulars of unhedged foreign currency exposures as at the reporting date

Particulars	31.3.2020	31.03.2019

Trade Payables	Nil	Nil
Trade Receivable	Nil	Nil

29.2 (xii) Disclosure of dues/payments to Micro and Small enterprises to the extent such enterprises are identified by the company.

The company has not received any intimation from the suppliers regarding status under Micro, Small and Medium Enterprises Development Act, 2006(the Act) and hence disclosures regarding the same cannot be furnished in the financial statements. Further, the Company is making efforts to get the confirmation from the suppliers as regard their status under the act on the reporting date.

29.2 (xiii) In the Opinion of Board of Directors, Advances to related parties, security deposits have atleast the realizable value as stated in the Balance Sheet.

29.2 (xiv) Confirmation of balances - balances of Trade receivables, Advances from Customers , Advances to suppliers and other advances if any and 'Other Financial liabilities' are subject to confirmation from respective parties.

29.2 (xv) Pursuant to IND AS 109- Impairment of assets, the Company assessed its fixed assets for impairment as at 31st March 2020 and concluded that there has been no significant impaired fixed asset that needs to be recognised in the books of accounts.

29.2 (xvi) Auditors' Remuneration (Excluding Service Tax/GST)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
For Statutory Audit	80,000	75,000
For Tax Audit	-	25,000
For Other Services	29,000	-
Total	1,09,000	1,00,000

29.2 (xvii) TRANSACTIONS WITH RELATED PARTIES (as identified by the Company)

Description of the nature of transaction	Year ended 31st March 2020	Year ended 31st March 2019
Remuneration paid		
Rajib Gosh Roy	12,01,500	11,54,628
Huma M Tamatgar - Company Secretary	2,21,272	n.a.
Manjeet Kumar - erstwhile Company Secretary *	3,29,877	5,89,200
Surendra Bhandari	10,60,000	4,00,000
Total	28,12,649	21,43,828

Non -current Borrowings from related parties received/(paid)		
Hittco Properties LLP	-	(53,76,949)
Madhu Bhandari	-	(15,55,000)
Surendra Bhandari	-	(3,10,479)
Sidharth Bhandari	-	(9,22,480)
BI Holdings (Banglore) LLP	-	(18,50,000)
Hitech Prints (India) Private Limited	-	(27,97,946)
Total	-	(1,28,12,854)
Advances received from related parties		
HTC Properties LLP	-	19,99,027
B I Holdings (Bangalore) LLP	4,458	
Surendra Bhandari		
Total	4,458	19,99,027
Advances paid to the related parties		
IEM International Private Limited	4,80,000	-
BI Realtors LLP	25,889	-
HTC Properties LLP	31,189	-
HTC Tools and Trading Co	1,19,259	-
Sidharth Bhandari	2,20,534	-
Surendra Bhandari	1,22,346	-
Total	5,37,078	-
Balances Outstanding as on the reporting dates	31st March 2020	31st March 2019
Advances Receivable at Year end		
IEM International Private Limited	4,80,000	-
BI Realtors LLP	25,889	-
HTC Properties LLP	7,69,383	7,38,194
HTC Tools and Trading Co	1,19,259	-
Sidharth Bhandari	2,20,534	-
Surendra Bhandari	1,22,346	-
Total	17,37,410	7,38,194
Creditors for expenses		
BI Realtors LLP	4,458	-
Total	4,458	-

List of related parties and relationship:

Key Management Personnel	Associates / Other related party (Parties under common control)
Surendra Bhandari - Managing director	HTC Properties LLP

Rajib Gosh Roy - CFO	Fotoset Trading Private Limited
Huma M Tamatgar - Company Secretary	Hitech Prints (India) Private Limited
Manjeet - erstwhile Company Secretary *	Hittco (Thailand) Ltd
Madhu Bhandari	Hittco Properties LLP
Sidharth Bhandari	IEM International Private Limited
	BI Holdings (Banglore) LLP
	BI Realtors LLP

* Till July 2019

Note: Certain transactions were awaiting Board approval on the reporting date.

29.2 (xviii) Previous period figures have been regrouped / reclassified wherever necessary to conform to the current period classification / disclosure.

**For and on behalf of the Board of Directors of
HITCO TOOLS LTD**

Sd/-
Surendra Bhandari
Managing Director
DIN: 00727912

Sd/-
Sidharth Bhandari
Director
DIN: 00237174

For Mishra & Co.,
Chartered Accountants
Firms' Registration No.012355S

Sd/-
Yashvardhan Bhandari
Director & CFO
DIN: 06688573

Sd/-
Rajib Ghosh Roy
CEO

Sd/-
CA Nilamadhab Mishra
Proprietor
Membership No.223157

Place: Bengaluru
Date: 26 June 2020

Place: Bengaluru
Date: 26 June 2020

30 Financial Instruments
Disclosure of Financial Instruments by Category

(Amount in Rs.,)

Financial instruments by categories	31.03.2020			31.03.2019		
	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial asset						
Trade Receivables	-	-	1,67,09,619	-	-	1,81,43,179
Cash and cash equivalents	-	-	29,79,158	-	-	37,25,623
Other Financial assets	-	-	47,27,650	-	-	44,71,006
Total Financial Assets	-	-	2,44,16,427	-	-	2,63,39,809
Financial liability						
Borrowings	-	-	3,34,47,234	-	-	3,54,27,484
Trade payables	-	-	56,58,341	-	-	51,26,397
Other Financial liabilities	-	-	56,05,934	-	-	50,45,073
Total Financial Liabilities	-	-	4,47,11,509	-	-	4,55,98,955

Default and Breaches

There are no defaults with respect to payment of principal , interest, and no breaches of the terms and conditions of the Loans taken from Banks and financial institutions.
There are no breaches during the year which permitted lender to demand accelerated payment.

31 Fair Value Hierarchy

Management considers that the carrying amount of those financial assets and financial liabilities , that are not subsequently measured at fair value , in the financial statements approxiamte their fair values

For financial instruments that are subsequently measured at fair vale, their fair value measurement is grouped into Levles 1 to 3 based on the following fair value hierarchy

Level 1 :quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 :inputs other than quoted prices included within level 1, that are observable for the asset or liability,either directly (i.e as a price) or indirectly (i.e derived from prices)

Level 3:derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

There are no financial instruments measured at Level 1, Level 2,Level 3 of Fair Value Hierarchy as at reporting date

The carrying amounts of financial instruments carried at amortized cost i.e Trade receivables,Cash and Cash equivalents ,other financial assets,Borrowings ,other financial liabilities and trade payables are considered to be the same as their fair values, due to their short term nature

Fair Valuation techniques
Fair value of financial assets and liabilities measured at amortized cost

Trade receivables, cash and cash equivalents , borrowings,trade payables ,other financial assets, other financial liabilities are financial instruments with carrying values that approximate fair value. If measured at fair value in the financial statements ,these financial instruments would be classified as level 3 in the fair value hierarchy

32 Asset pledged as security

The Carrying amounts of assets pledged as security for current and non current borrowings are :

(Amount in Rs.,)		
Particulars	31.03.2020	31.03.2019
Non Financial Asset		
Property, Plant & Equipment	3,25,79,254	3,84,38,190
Financial Asset		
Cash and Cash Equivalents	29,79,158	37,25,623
Inventories	92,57,729	1,14,17,819
Trade Receivables	1,67,09,619	1,81,43,179
TOTAL	6,15,25,759	7,17,24,812

Notes:

1)All the Banking facilities sanctioned by the Bank are primarily secured by extension of charge over all existing and Future current assets/ Moveable Fixed assets of the company .

2)Hence, Building being an Unmoveable Fixed asset is not taken into account for Assets pledged as security.