



AN ISO 9001-2008 COMPANY

# Hittco Tools Ltd.

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**21st  
Annual Report  
2014 - 2015**

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BOARD OF DIRECTORS	:	Mr. Surendra Bhandari, Chairman Cum Managing Director Mrs. Madhu Bhandari Mr. Sidharth Bhandari Mr. Rajib Ghosh Roy-WTD Mr. Joseph Mathai Mr. Rajeev G. Hassanand Mr. S.R. Satish Mr. N.K. Raghunath Mr. Vikram S Gupta	
COMPANY SECRETARY	:	Mr. Manjeet Kumar	
STATUTORY AUDITORS	:	M/s. Nagesh & Mylar Associates	
SECRETARIAL AUDITORS	:	M/s Swamy & Associates, Company Secretaries, Bangalore	
REGISTRAR & TRANSFER AGENTS	:	M/s Cameo Corporate Services Ltd. Subramaniam Building, #1, Club House Road, Chennai-600 002. Ph: 044-28460390	
PLANT	:	Unit-I # 78, III Phase, Peenya Industrial Area, Bangalore-560 058.	Unit-II # 78/B, III Phase Peenya Industrial Area, Bangalore-560 058.
REGISTERED & CORPORATE OFFICE	:	HDFC Bank Ltd. IndusInd Bank Ltd. Canara Bank & Kotak Mahindra Bank Ltd.	
NOTE	:	No gift will be given in the AGM	

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## NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the Members of HITTCO TOOLS LIMITED will be held at 11.00 A.M on Wednesday, the 30th September 2015 at “SHANTALA” Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore – 560 001, to transact the following business :

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2015 and Profit and Loss Account for the year ended on that date along with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. SidharthBhandari (DIN: 00237174) who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought it, to pass with or without modification the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. Mishra & Co, Chartered Accountants, Firm Registration No. 012355S, be and are hereby appointed Statutory Auditors of the Company in place of the retiring Auditors, M/s. Nagesh&Mylar, Chartered Accountants, Bangalore, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the twenty Sixth AGM of the Company to be held in the year 2020 (subject to ratification of their appointment at every AGM), on such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors.”

### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification, the following resolution as an special resolution:

RESOLVED THAT pursuant to the provisions of Section 190, 196, 203 and other applicable provisions of the Companies Act, 2013 and Rules made there under, consent of the members of the company be and is hereby accorded to continue the employment of Mr. SurendraBhandari, (holding DIN - 00727972) as Managing Director of the Company who is attaining the age of 70 years on 03rd March, 2016 and who was appointed as Managing Director of the Company on 30 September, 2014 for five years to hold office of Managing Director of the Company till 30th September 2019.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including a Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To consider adoption of newly substituted Article Of Association of the company containing regulation in line with the companies Act,2013 and if thought fit, to pass with or without modification, the following resolution as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 (statutory modification (s) or re-enactment thereof, for the time being in force), the new draft Articles as contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including a Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Place: Bangalore  
Date: 3rd September, 2015

By order of the board  
**Manjeet Kumar**  
**COMPANY SECRETARY**

**IMPORANT NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME FIXED FOR HOLDING THE MEETING.  
  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Explanatory statement pursuant to section 102 of the Companies Act, 2013, relating to the special business to be transacted at the Meeting is annexed hereto.
4. Brief resume of Directors including those proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, name of companies which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationship between directors inter-se as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
6. Members/Proxies are requested to deposit the attendance slip duly filed in and signed for attending the Meeting. Members who hold shares in dematerialization form are requested to write their client ID and DP ID numbers for identification
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days during business hours up to the date of Meeting.
9. The Register of Member of the Company will remain closed from 24rd September, 2015 to 30th September, 2015 (both days inclusive).
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat account. Member holding shares in physical form can submit their PAN details to the Company at the Registered Office of the Company.
11. Members, who have not registered their e-mail address so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
12. Due to security reasons mobile phones, camera, bags and other accessories are not allowed to be carried inside the meeting premise.
13. Members intending to require information about accounts to be explained at the meeting are requested to write to the Company at least Seven days in advance of the Annual General Meeting.
14. Members holding physical shares in identical order of names in more than one folio are requested to send to the Company or Share Transfer Agent, the details of such folios together with the shares certificates for consolidating their holding in one folio. A consolidated share certificates will be returned to such members after making requisite changes thereon.
15. The Notice for the Annual General Meeting and the Annual Report will be available for inspection at the Registered Office of the Company on all working days in business hour up to the date of Annual General Meeting. The above said shall also be available on the Company's website at [www.Hittco.com](http://www.Hittco.com) and on the website of the CDSL: [www.cdslindia.com](http://www.cdslindia.com)
16. Business to be transacted at the meeting may be transacted through electronic voting system and company is providing facility for voting by electronic means.

17. Mr. Swamy Company Secretary in practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
18. The Scrutinizer shall within a period of three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the company and make a scrutinizer report of the votes cast in favor or against, if any, forthwith to the whole Time Director and in his absence to the Company Secretary of the Company.
19. The result of voting shall be declared by the Chairman of the meeting on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.Hittco.com](http://www.Hittco.com) and on the website of the CDSL: [www.cdslindia.com](http://www.cdslindia.com) within two days of passing of the resolution at the 21st Annual General Meeting of the Company
20. The results will also be communicated to stock exchange where the shares of the company are listed.

#### **VOTING THROUGH ELECTRONIC MEANS:**

- I. In compliance with the provisions of Section 108 of the Companies Act 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).
  - (i) The voting period begins on 27/09/2015 (from 9.00 A.M) and will end on 29/09/2015 (up to 5.00 P.M). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 24/09/2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on Shareholders.
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the Hittco Tools limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders & Custodians:

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates and Custodians respectively.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s) / folio numbers on which they wish to vote.

The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

**Item no: 4**

In the opinion of the board Mr. Surendrabhandari (holding DIN-00727912) continue as the managing director after the attend the age of 70 year on 3rd March, 2016.

The board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail service of Mr. SurendraBhandari (DIN-00727912) as a managing director. Mr. SurendraBhandari was appointing the managing director as on 30th September 2014 for the term of 5 year. As per section 196 of the companies Act, 2013 its required to pass the special resolution if Appoint or re-appoint or the continue as a Managing Director after the age of 70 year. Accordingly, the board recommends the resolution in relation to continue of Mr. SurendraBhandari (holding DIN 00727972), as a managing Director, for the approval by the shareholder of the company.

**Item No. 5**

The Articles of Association of the Company as currently in force was originally adopted when the Company was incorporated under the Companies Act, 1956 and further amendments were adopted from time to time, over the past several years. The references to specific sections of the Companies Act, 1956 in the existing Articles of Association may no longer be in conformity with the Companies Act, 2013.

Considering that substantive sections of the Companies Act which deal with the general working of the companies stand notified, it is proposed to amend the existing Articles of Association to align it with the provisions of Companies Act, 2013 including the Rules framed there under and adoption of specific sections from Table "F" to Schedule I to the Companies Act, 2013 which sets out the model articles of association for a company limited by shares.

Sharholder's attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- a) Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- b) the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- c) new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;
- d) new provisions relating to appointment of chief executive officer and chief Financial officer, in addition to manager and company secretary;
- e) existing articles have been streamlined and aligned with the Act;
- f) the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included; and
- g) Provisions of the existing AoA which are already part of statute in the Act have not been reproduced in the new draft AoA as they would only lead to duplication – their non-inclusion makes the new AoA crisp, concise and clear and aids ease of reading and understanding.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

Accordingly, consent of the members is sought for passing a Special Resolution as set out in item no. 5 of the Notice.

**ANNEXURE TO THE NOTICE**

Information required to be furnished as per the Listing agreement:

As required under the listing agreement, the particulars of Directors who are proposed to be appointed/ re-appointed are given below:

Name of Director	<b>Mr. Sidharth Bhandari</b>
DIN	00237174
Date of Birth	17-02-1972
Date of Appointment	04-01-1995
Qualification	B.E
Expertise in specific functional areas	He has come from business family and has possess good business sense and administrative capabilities.
List of other Companies in which Directorship held (excluding in Foreign companies)	<ol style="list-style-type: none"><li>1. IEM International Private Limited</li><li>2. Hitecc Prints (India ) Private Limited</li><li>3. BI Holdings (Bangalore) Private Limited</li><li>4. HTC Properties Private Limited</li><li>5. B.I. Realtors Private Limited</li><li>6. Hittco Properties Private Limited</li><li>7. Sanctum Decor Private Limited</li></ol>
Chairman/Member of Committees the Board of Directors of the Company.	NIL
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company.	92699 Equity Share

**Manjeetkumar**  
**COMPANY SECRETARY**

Place : Bangalore  
Date : 3rd September, 2015



## DIRECTORS' REPORT

To  
The Members,

Your Directors take pleasure in presenting the 21st Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2015.

### FINANCIAL RESULTS:

(Rs. In Lakhs)

Particulars	2014-15	2013-14
<b>INCOME :</b>		
Sales	740.83	774.89
Other Income	19.13	18.18
<b>Total (A)</b>	<b>759.96</b>	<b>793.07</b>
<b>EXPENSES:</b>		
Cost of Material Consumed	214.89	166.48
Purchase of Stock-in-trade	-	1.93
Changes in inventories of finished goods, work in progress and stock-in-trade	(33.37)	18.25
Employee benefit expenses	224.58	226.43
Other expenses	308.38	275.68
Interest and Financial Charges	39.32	42.25
Exceptional items	0	0
<b>Total (B)</b>		<b>731.02</b>
<b>Profit before Depreciation and Tax (C) = (A) - (B)</b>	<b>6.16</b>	<b>62.05</b>
Depreciation and amortisation expenses	53.71	63.71
Tax	5.15	3.24
Profit / (Loss) after Depreciation and Tax	(52.70)	(4.89)
Earnings Per Share(Basic)	(0.88)	(0.09)
Earnings Per Share(Diluted)	(0.88)	(0.08)

## **OPERATIONS AND BUSINESS PERFORMANCE:**

The Company has almost maintained a turnover of Rs.740.83 lakhs during the year 2014-15 as against Rs.774.89 lakhs during the previous year 2013-14. The Export Sales for the year 2014-15 was Rs. 34.70 lakhs compared to Rs. 32.60 lakhs during the previous year and contributed 4.69 % of the total sales. The Company's net loss after tax for the year 2014-15 was Rs.52.70 lakhs as against loss of Rs. 4.89 lakhs in the previous year which is due to provision for deferred tax, provision for gratuity and lesser turnover. The company is competent of achieving profitability.

## **DIVIDEND:**

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

## **TRANSFER TO RESERVES**

Your company has not made any transfer to reserve during the financial year 2014-2015.

## **DIRECTORS:**

At the ensuing Annual General Meeting, Mr. Sidharth Bhandari, Directors will retire by rotation and being eligible offer themselves for reappointment.

## **DIRECTORS RESPONSIBILITY STATEMENT:**

Your Directors state that:

- a) In the preparation of the annual account for the year ended march31,2015, the applicable accounting standard read with the requirements set out under schedule III to the Act, have been followed and there is no material departures from the same.
- b) The directors have selected such accounting policies and applied then consistently and made judgments and estimate 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 31,2015 and the profit of the company for the year ended on that date.
- c) The director have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors have prepared the annual account on a going concern basis.
- e) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- f) The director have devised proper system to ensure compliance with the provision of all applicable laws and that such system are adequate and operating effectively.

## **CHANGE IN THE NATURE OF BUSINESS**

There was no change in the nature of business of the company during the year. There was no significant and material order passed by regulator or court or tribunal impacting the going concern status and company operation in future. There was no material change and commitment affecting the financial position of the company occurring between 31 March, 2015 and the date of the report.

## **DEPOSITS:**

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

## **PROSPECTUS**

Your company is expected to maintain a reasonable rate of growth and your director positively view the prospectus for the current year with confidence.

## **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. A report on the performance and financial position of each of the subsidiary, associated and joint venture companies as per the Companies Act, 2013 is not applicable.

## **PARTICULARS 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.

## **AUDITORS AND AUDITORS REPORT:**

### **Statutory Auditors**

M/s. Nagesh & Mylar, Chartered Accountants, Statutory Auditors, retire at the conclusion of the ensuing Annual General Meeting and a notice from a shareholder received to appoint statutory auditor other than the retiring auditor.

M/s Mishra & Co, Chartered Accountants, will be appointed as Statutory Auditor of the company subject to approval of the members in Annual General Meeting and to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the twenty sixth AGM of the Company to be held in the year 2020 (subject to ratification of their appointment at every AGM), on such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors."

### **Auditor's report**

The note on accounts referred to in the auditor's report are self-explanatory and there are no adverse remarks or qualification in the report and therefore, do not need any further comment.

### **Secretarial auditor**

M/s Swamy & Associates, Company Secretaries, have been appointed as Secretarial Auditors of the Company for the year 2014-15. The secretarial Audit report for the financial year ended March 31, 2015 is annexure v to this report. The secretarial Audit report does not contain any qualification, reservation or adverse remark.

## **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 are 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 are placed before the audit committee and give in the notes annexed to and forming part of this financial statement.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The company is not cover under section 135 of the companies Act, 2013. So the company has not required constituting a committee and the contribution in the corporate social responsibility.

## **OBLIGATION OF THE COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSED) ACT 2013**

The sexual harassment of women at workplace (prevention, prohibition and redressed) act 2013 is not applicable on the company

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particular relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclose under the act are provide in Annexure-(A).

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

Management Discussion & Analysis Report for the year under review, as stipulated under clause 49 of the listing Agreement with the stock exchange in India, is presented in a separate section forming part of the Annual Report.

## **CORPORATE GOVERNANCE:**

The company is committed to maintain the highest standard of corporate governance and adhere to the corporate governance requirement set out SEBI. The report on corporate Governance as stipulated under Clause 49 of the listing agreement form part of the Annual report. The requisites certificate from the auditor of the company confirming the compliance with the condition of corporate governance as stipulated under the aforesaid clause 49, is attached to this report.

## **RISK MANAGEMENT:**

During the year, your director have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the board in (a) Overseeing and approving the company enterprise wide risk management framework; and (b) Overseeing that all the risk that the organization faces such as strategic, financial, credit, market, liquidity, security, property, property, legal, regulatory, reputation and other risk have been identified and assessed and there is adequate risk management infrastructure in place capable of addressing those risks. A group Risk management Policy was reviewed and approved by the committee.

## **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.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In accordance with the provision of the act and the article of association of the company, Mr. Sidharth Bhandari, Director of the company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

Mr. K. Raghavendra Rao, Whole time director of the company retired in the November 2014.

The following policies of the company are attached herewith marked as Annexure –(C).

- a) Policy for selection of the Director and determining Directors independence : and
- b) Remuneration Policy for Directors, Key managerial person and other employees.

## **INDEPENDENT DIRECTORS DECLARATION:**

The company has received declaration from all the independent director of the company of the company confirming that they meet the criteria of the independence as prescribed both under the Act and clause 49 of the listing Agreement with the stock exchanges.

## **MEETING OF THE BOARD**

Six meeting of the board of directors were held during the year. For further details, please refer on corporate governance of the annual report.

## **BOARD EVALUATION**

Pursuant to the provision of the companies Act, 2013 and clause of the listing agreement, the board is 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.

**VIGIL MECHANISM POLICY**

The company has a vigil mechanism policy to deal with the instance of fraud and mismanagement, if any. The detail of the vigil mechanism policy is explained in the corporate governance report.

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

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

**SECURITIES:**

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

**EXTRACT OF ANNUAL RETURN:**

Extract of Annual return of the company is annexed herewith as Annexure (E) to this report.

**ACKNOWLEDGEMENTS:**

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

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

For and on behalf of the Board of Directors

**SURENDRA BHANDARI**  
**CHAIRMAN CUM MANAGING DIRECTOR**

**SIDHARTHBHANDARI**  
**DIRECTOR**

Place: Bangalore  
Date: 3rd September, 2015

**Annexure - A**

**ANNEXURE TO THE DIRECTORS REPORT**

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

**Conservation of Energy:**

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

**Form - A**

<b>A. Power and Fuel Consumption :</b>	<b>2014-15</b>	<b>2013-14</b>
<b>Electricity</b>		
a) Purchased units	422354	324471
b) Total Amount	2491885	2280629
c) Rate/Unit (Rs.)	5.90	6.99
a) Generator units	78416	79366
b) Total Amount	1858467	1880974
c) Rate/Unit (Rs.)	23.70	23.70

**B. Technology Absorption**

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

**C. Foreign Exchange Earnings and Outgoing**

The Export Sales during the year has contributed 4.21 % of the total Sales.

	<b>2014-15</b>	<b>2013-14</b>
Total Foreign Exchange – Used (Rs.) :	6030477	44, 78,675
Earned (Rs.):	3470189	32, 60,218

For and on behalf of the Board of Directors

**SURENDRA BHANDARI**  
CHAIRMAN AND MANAGING DIRECTOR

**SIDHARTH BHANDARI**  
DIRECTOR

Place : Bangalore  
Date : 3rd September, 2015

## **MANGEMENT DISCUSSION & ANALYSIS REPORT**

### **INDUSTRY STRUCTURE & DEVELOPMENTS**

In the financial year 2014-2015 the consumption of HSS Drills & Taps in Indian Market is about Rs.2000Cr. Production in India by Different manufacturer is Rs.1800 Cr. Import from other Countries like China, Taiwan & other European Countries is Rs.200 Crores. The HSS Drills & taps market is growing annually by 7%.

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

### **OPPRUNTUNITIES AND THREATS**

With the vast experience of cutting tool manufacturing experience Company has started production of Carbide Tools which is having a market of Rs. 1650Cr. The major boost in Automobile market has increased the sale of Carbide tools in India. The Carbide Tool market is growing annually by 20%, which is much faster than the growth of HSS Tools. The threat perception in the country includes competition of Multi National Company's setting up plant in India & cheap priced tools from Taiwan & China.

### **SEGMENT-WISE PERFORMANCE**

Your Company made after tax loss Rs. 52.70 lakhs on a turnover of Rs. 740.83 lakhs and other income of Rs. 18.18 lakhs.

	<b>Drill Bits &amp; Taps (in Lakhs)</b>
Net Sales & Operating Revenue	<b>Rs. 740.83</b>
PBIT	<b>(8.22)</b>
Capital Employed	<b>1055.33</b>

### **OUTLOOK FOR THE INDUSTRY**

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

### **OUTLOOK FOR THE COMPANY**

In your Company's future strategic growth plans, the core areas include further expansion of the capacities of machines. Its strategic plans are also directed towards meaningful utilization & redeployment of resources depending on the situations and full capacity utilization of existing operations with proactive financial management and with qualitative focus on human resource development.

### **RISKS & CONCERNS**

The rising price of fuel oil and other input materials are a cause of concern for the industry. International disturbances caused by terrorist strikes and sudden unhealthy trends in the international scenario arising out of political uncertainty in the global context are a risk factor.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUECY**

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

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECTS TO OPERATIONAL PERFORMANCE**

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

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

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

For and on behalf of the Board of Directors

**SURENDRA BHANDARI**  
CHAIRMAN AND MANAGING DIRECTOR

**SIDHARTH BHANDARI**  
DIRECTOR

Place : Bangalore  
Date : 3rd September, 2015



## **Policy for selection of directors and determining Directors' independence**

### **1. Introduction**

Hittco Tools Limited believe that an enlightened Board consciously create a culture of Leadership to provide a long term vision and policy approach to improve the quality of governance. Towards this, Hittco Tools limited ensure constitution of a board of directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibility and duties effectively.

Hittco Tools Limited recognize the importance of independent Directors in achieving the effectiveness of the Board. Hittco Tools limited aims to have an optimum combination of the Executive, Non-Executive and independent Directors.

### **2. Scope and exclusion:**

This policy sets out the guiding principles for the Human Resource, Nomination and Remuneration Committee for identifying person who are qualified to become Director and to determine the independence of Directors, in case of their appointment as Independent Director of the Company.

### **3. Terms and References:**

In this policy, the following terms shall have the following meanings:

**“Director”** means a director appointed to the board of a company.

**“Human Resources Nomination and Remuneration Committee”** mean the Committee constituted by Hittco Tools Limited Board in accordance with provision of section 178 of the companies Act,2013 and the Clause 49(II)(B)of the Equity Listing Agreement.

**“Independent Director”** mean a director referred to in sub section (6) of section 149 of the companies Act,2013 and Clause 49(II) (B) of the Equity Listing Agreement.

### **4 Policy**

#### **Qualification and Criteria**

The Human Resources, Nomination and Remuneration (HRNR) committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the board, as whole and individual members. The objective is to have a board with diverse background and experience that are relevant for the company's global operations.

In evaluating the suitability of individual board members, the HRNR committee may take into account factors, such as:

- General understanding of the company's business dynamics, global business and social perspective;
- Education and professional background
- Willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- Standing in the profession.
- Personal and professional ethics, integrity and values.

The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the companies Act,2013;

- Shall give his written consent to act a director;
- Shall Endeavour to attend all Board Meeting and wherever is he is appointed as a committee member, the committee meetings;
- Shall abide by the code of conduct establish by the company for directors, and senior Management personnel;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association including his shareholding at the first meeting of the board in every financial year and thereafter whenever there is a change in the disclosure already made;
- Such other requirement as may be prescribed, from time to time, under the companies Act, 2013, equity listing agreement and other relevant law.

The HRNR committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

### **Criteria of independence**

The HRNR committee shall assess the independence of Director at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determination of independence when any new interest or relationship is disclosed by a director.

The criteria of independence, as laid down in companies Act, 2013 and clause 49 of the equity listing Agreement, is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director-

- 1. Who, in the opinion of the board, is a person of integrity and possesses relevant expertise and experience;
  - 2. Who is or was not a promoters of the company or its holding, subsidiary or associated company; 2 who is not related to promoter or director in the company, its holding, subsidiary or associated company;
  - Who has or had no pecuniary relationship with the company, its holding, subsidiary or associated company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
  - None of whose relative has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associated company, or their promoter or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever preceding financial years or during the current financial year;
  - Who, neither himself nor any of his relatives-
    - i. Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associated company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
    - ii. Is or has been an employee or proprietor or a partner, in any of the three financial year immediately preceding the financial year in which he is proposed to be appointed, of-
      - a. A firm of auditors or company secretary in practice or cost auditor of the company or its holding, subsidiary or associated company; or
      - b. Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associated company amounting to ten percent or more of the gross turnover of such firm;
- III. Holds together with his relative two percent or more of the total voting power of the Company; or
- VI. Is a chief executive or director, by whatever name called, of any non-profit Organization that receive twenty-five percent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associated Company or that holds two percent or more of the total voting power of the company;

- V. Is a material supplier, service provider or customer or a lessor or lessee of the company
- Shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the company's business.
  - Shall possess such other qualifications as may be prescribed, from time to time, under the companies Act, 2013.
  - Who is not less than 21 year of age.

The independent Directors shall abide by the "code for independent Director" as specified in Schedule IV to the companies Act, 2013.

#### **Other Directorship/committee memberships**

- The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, member should voluntarily limit their directorships in other listed public company in such a way that it does not interfere with their role as directors of the company. The HRNR committee shall take into account the nature of, and the time involved in a director's service on other Boards, in evaluating the suitability of individual Director and making its recommendation to the board.
- A director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.
- A director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a Whole –time Director in any Listed company.
- A Director shall not be a member in more 10 committees or act as Chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committees, Audit committee and stakeholders' relationship committee of all public limited company, whether listed or not, shall be include and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

#### **Remuneration Policy for Directors, Key managerial personnel and other employees**

##### **1. Introduction**

- Hittco Tools Limited recognizes the importance of aligning the business the business objective with specified and measureable individual objective and targets. The company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objective:
  - I. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully
  - II. Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
  - III. Ensuring that remuneration involve a balance between fixed and incentive pay reflecting short and long term performance objective appropriate to the working of company and its goals.

##### **2. Scope and exclusion:**

This policy sets out the guiding principal for the Human recourse, Nomination and Remuneration committee for recommending to the board the remuneration of the directors, Key managerial personnel and other employees of the company.

##### **3. Policy:**

###### **3.1 Remuneration to Executive Directors and Key Managerial Personnel**

- The Board, on the recommendation of Human Resources, Nomination and Remuneration (HRNR) committee shall review and approve the remuneration payable to Executive Director of the company within the overall limit.
  - The Board, on the recommendation of the HRNR committee, shall also review and approve the remuneration payable to the key managerial Personnel of the company.
  - The remuneration structure to the executive Director and Key Managerial Personnel shall include the following components:
    - i. Basic pay
    - ii. Perquisites and Allowances
    - iii. Stock options
    - iv. Commission(Applicable in case of Executive Directors)
    - v. Retrial benefits
    - vi. Annual Performance Bonus
4. The Annual Plan and objective for Executive Director and Senior Executive (Executive committee) shall be reviewed by the HRNR Committee and Annual Performance Bonus will be approved by the committee based on the achievement against the annual plan and objective.

**5. Remuneration to Non-executive Directors**

1. The Board, on the recommendation of the HRNR committee, shall review and approve the remuneration payable to the Non-Executive Director of the company within the overall limits approved by the shareholders.
2. Non-Executive Directors shall be entitled to sitting fees for attending the meeting of the board and committee thereof. The Non- Executive director shall be entitled to profit related commission in addition to the sitting fees.

**6. Remuneration to other employees**

Employeeesshall be assigned grades according to their qualification and work experience, competencies as will as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

**Annexure – D**

**CORPORATE GOVERNANCE REPORT**

In accordance with Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited (BSE), the report containing details of corporate governance systems and processes at Hittco Tools Limited is as under:

**Company's Philosophy on Code of 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**

**a) Composition**

The present strength of the Board of Directors is Nine (9). Out of Nine Directors, Seven Directors (more than 50%) are Non-Executive Directors. Besides, Five Directors (more than 50%) are independent Directors. The composition of the Board is in conformity with the requirement of Clause 49 of the Listing Agreement.

**b) Meetings of the Board of Directors**

The Board of Directors meets regularly and is responsible for the proper direction and management of the Company. During the financial year 2014-15 Six Board Meetings were held on 28.04.2014, 28.05.2014, 12.08.2014, 03.09.2014, 12.11.2014, 12.02.2015, and the maximum gap between any two meetings was not more than Four Months.

Quarter		Dates
April – June	1	28th April, 2014
	2	28th May, 2014
July – September	3	12nd August, 2014
	4	3rd September, 2014
October – December	5	12th November, 2014
January – March	6	12th February, 2015

**c) Directors' Attendance Record and Directorship held**

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

**d) about Details Company's Board of Directors :**

Name of the Director	Share Holding	Category	Attendance Particulars			Director ships in other Companies	Committee Memberships	
			No of Board Meetings		Last AGM		Member-ships	Chairman-ships
			Held	Attended	Attended			
1. Surendra Bhandari	7,00,684	Chairman Cum Managing Director	6	6	Yes	9	3	2
2. Madhu Bhandari	70,077	Director	6	2	No	6	1	-
3. Sidharth Bhandari	92,699	Director	6	1	No	10	2	-
4. Rajib Ghosh Roy	0	Whole time Director	6	6	Yes	-	-	-
5. K. RaghavendraRao	1,000	Whole time Director	6	2	Yes	5	0	0
6. Joseph Mathai	0	Independent Director	6	6	Yes	-	4	1
7. Rajeev G. Hassanand	0	Independent Director	6	6	No	1	-	-
8. S.R. Satish	0	Independent Director	6	6	Yes	-	3	2
9. N.K. Raghunath	1,000	Independent Director	6	6	No	-	1	-
10. Vikram S Gupta	1,000	Independent Director	6	6	No	1	1	-

**e) Information supplied to the Board**

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

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

**f) Remuneration paid to Directors**

During 2014-15, the Company did not advance any loan to any of its Directors. The remuneration paid to the Directors for the year 2014-15 is given below :

	Name of the Director	Category	Salary	P.F.
1.	Surendra Bhandari	Chairman Cum Managing Director	-	-
2.	Sidharth Bhandari	Director	Rs. 7,50,000/-	Rs.5,700/-
3.	MadhuBhandari	Director	-	-
4.	K. RaghavendraRao	Whole time Director	-	-
5.	Rajib Ghosh Roy	Whole time Director	Rs.7,95,600/-	Rs.16020/-
6.	Joseph Mathai	Independent Director	-	-
7.	Rajeev G. Hassanand	Independent Director	-	-
8.	S.R. Satish	Independent Director	-	-
9.	N.K. Raghunatha	Independent Director	-	-
10.	Vikram S Gupta	Independent Director	-	-

**g) Green Initiative on Corporate Governance.**

The Ministry of Corporate Affairs(MCA) has vide its circular no. 17/2011 dated 21/04/2011 and circular no. 18/2011 dated 29/04/2011 announced the “Green Initiative in the Corporate Governance” by allowing Companies to send the notices/documents in electronic mode to its shareholders. The Board had sent the intimations to all the shareholders to get their email ids. The Annual report of the company will be sent to shareholders through email who have registered their email ids with the Company/DP and through physical mode who have not registered their email ids with the Company/DP.

**BOARD COMMITTEES**

The Company has five Board level Committees – Audit Committee, Remuneration Committee, Share Transfer Committee, Shareholders / Investors’ Grievances Redressal Committee and Risk Management 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.

**b) Audit Committee**

The composition of Audit Committee as on 31.03.2014 is as follows:

- |    |                      |   |          |
|----|----------------------|---|----------|
| 1. | Mr. Joseph Mathai    | - | Chairman |
| 2. | Mr. SurendraBhandari | - | Member   |
| 3. | Mr. Vikram S Gupta   | - | Member   |

Mr. Manjeet Kumar is Secretary to the Audit Committee.

Mr. Joseph Mathai is the Chairman of the committee and was present in the last Annual General Meeting. The Constitution of the Audit Committee complies with the requirements of Clause 49 of the Listing Agreement and also complies with the Act.

At the invitation of the Company, representatives from various divisions of the Company, internal auditors, cost 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 Clause 49 of the Listing Agreement 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 2014-15 on 26th May, 2014, 11st August, 2014, 10th November, 2014 and 10th February, 2015.

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

**c) Remuneration Committee**

The Remuneration Committee comprises of three Directors, viz. Mr. S R Satish, Mr. Joseph Mathai and Mr. N K Raghunatha. Mr. S R Satish is the Chairman of the Remuneration Committee. The Company Secretary is the Secretary of the Committee. The Remuneration Committee held four meetings during 2014-15 on 9th April, 2014, 7th July, 2014, 10th November, 2014 and 19th January, 2015.

**Terms of Reference**

The broad terms of reference of the 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) To approve the remuneration package to the managerial personnel within the limits prescribed under the Act, based on their performance and defined assessment criteria.
- 3) To avoid conflicts of interest
- 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.

**d) Share Transfer Committee**

The Share Transfer Committee comprises of three Directors, viz. Mr. SurendraBhandari, Mr. SidharthBhandari and Mr. K. RaghavendraRao. Mr. SurendraBhandari is the Chairman of the Share Transfer Committee. The Company Secretary is the Secretary of the Committee.

**e) Shareholders / Investors' Grievances Redressal Committee**

The Shareholders / Investors' Grievances Redressal Committee comprises of three Directors, viz. Mr. SurendraBhandari, Mr. SidharthBhandari and Mrs. MadhuBhandari. Mr. SurendraBhandari is the Chairman of the Shareholders / Investors' Grievance Committee. The Company Secretary is the Secretary of the Committee. The Shareholders / Investors' Grievance Committee held four meetings during 2014-15 on 25th April, 2014, 14th July, 2014, 22th December, 2014 and 20th February, 2015.

**Compliance officer**

The Board has designated Mr. Manjeetkumar, Company Secretary, as Compliance Officer

**Scope**

- ❖ To scrutinize the share transfer application forms and concerned formalities
- ❖ To scrutinize the various documents received by the company, name Death Certificates, Marriage Certificates, Succession Certificates, Letters of Indemnity in favour of the company, Probates of Wills of the Shareholders and if found in order, to register transmission of shares;
- ❖ To register the various documents as mentioned above in the Register of Documents maintained by the company.
- ❖ To approve the issue of split share certificates and new share certificates in place of defaced, torn, damaged and soiled share certificates on receipt of proper applications and other required documents from the shareholders;
- ❖ To take all other consequential and incidental actions and measures
- ❖ To take all the matters in relation to investors' grievances.



During the period four meeting of the Shareholders/investor's Grievance Committee were held on 25nd April, 2014, 14th July, 2014, 22th December, 2014 and 20th February, 2015.

Name of members of Shareholders/ investor's Grievance Committee	No. of meetings attended
Mr. SurendraBhandari	4
Mr. SidharthBhandari	4
Mrs. MadhuBhandari	4

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

	Received	Resolved	Balance
<b>Complaints</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

There is no complaint pending for satisfaction of shareholders/investors

#### **INDEPENDENT DIRECTOR MEETING:**

During the year under review the independent director met on February 2, 2015 inter alia:

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 information between the company management and the board that is necessary for board to effective and reasonable performance their duties.

#### **GENERAL BODY MEETINGS**

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

##### **Annual General Meeting**

Year	Date	Time	Location
2009-2010	07.09.2010	11.00 A.M.	"SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore-560 001.
2010-2011	26.09.2011	11.00 A.M.	"SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore-560 001.
2011-2012	28.09.2012	11.00 A.M.	"SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore-560 001.

##### **Extraordinary General Meeting**

Year	Date	Time	Location
2012-13	05-11-2012	11.00 A.M.	Registered Office

**Annual General Meeting**

Year	Date	Time	Location
20012-2013	30-09-2013	11.00 A.M.	“SHANTALA” Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore-560 001.
2013-2014	30-09-2014	11.00 A.M.	“SHANTALA” Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore-560 001.

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

**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 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. 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 Clause 49 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 Clause 49 (V) of the listing agreement was placed before the Board, who took the same on record.
- f. Profile and other information regarding the Directors being appointed/re-appointed as required under clause 49 IV(G)(i) of the Listing Agreement 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 CEO/CFO under Clause 49 IV (F) (II) of the Listing Agreement. The Company’s senior management has confirmed to the Board of Directors that they do not have any personal interest related to its material, financial and commercial transactions that may have a potential conflict with the interests of the Company at large.
- i. Declarations by the CFO under clause 49(I)(D)(II) of the Listing Agreement

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, 2015, which is attached with the report.

#### **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 who are liable to retire by rotation. However, Mr. SidharthBhandari being eligible, offers himself for re-appointment.

Brief resume of Directors being re-appointed at the ensuing Annual General Meeting, nature of expertise in specific functional area and names of Companies in which hold Directorship, Chairmanship and Membership at the Committees at the Board given in the notice of forthcoming Annual General Meeting annexed to this Annual Report.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed both under sub section (6) of section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

#### **MEANS OF COMMUNICATION**

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

#### **GENERAL SHAREHOLDERS' INFORMATION**

The Annual general Meeting of the Company is scheduled to be held on Wednesday, the 30th September, 2015 at 11.00 A.M at "SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore – 560 001.

#### **Financial Calendar (tentative and subject to change):**

<b>Events</b>	<b>Tentative Date</b>
Annual General Meeting for the year ending March 31, 2015	By 30th September, 2015
Unaudited Financial results for the first quarter ending 30th June, 2015	By 15th August, 2015
Unaudited Financial results for the second quarter ending 30th September, 2015	By 15th November, 2015
Unaudited Financial results for the third quarter ending 31st December, 2015	By 15th February, 2015
Audited Financial results for the year ending 31st March, 2016	By 31st May, 2016

#### **Book Closure Dates**

Thursday, the 24th September, 2015 to Wednesday, the 30th September, 2015 (both days inclusive) for requirements of Clause 16 of the Listing Agreement for the financial year 2014-15.

#### **Dividend**

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

#### **Listing on Stock Exchanges**

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

#### **Stock Code**

<b>Stock Exchange</b>	<b>Code</b>
Bombay Stock Exchange Limited	531661

## Market Price Data

Monthly Share Price movement during 2014-15 on Bombay Stock Exchange:

No	Date	Highest (Rs.)	Lowest (Rs.)
1.	April, 2014	6.20	3.76
2.	May, 2014	5.45	3.40
3.	June, 2014	5.75	4.20
4.	July, 2014	5.90	4.61
5.	Aug, 2014	4.90	4.32
6.	Sep, 2014	5.43	4.21
7.	Oct, 2014	5.51	4.45
8.	Nov, 2014	5.37	4.28
9.	Dec, 2014	4.71	3.95
10.	Jan, 2015	4.71	3.60
11.	Feb, 2015	6.24	4.24
12.	Mar, 2015	8.15	5.44

## 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 2015.

**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	1052	70.51	196302	3.19
05001 – 10000	191	12.80	169481	2.75
10001 – 20000	71	4.76	117525	1.91
20001 – 30000	51	3.42	133950	2.17
30001 – 40000	27	1.81	98845	1.60
40001 – 50000	16	1.07	76270	1.24
50001 – 100000	34	2.28	261511	4.25
100001 & above	50	3.35	5105963	82.90
Total	1492	100	6159847	100

**Table B: Shareholding Pattern by Ownership**

Particulars	No. of Shareholders	% to total Shareholders	No. of Shares	% to total Shares
Directors, Promoters & their family members	9	0.60	2972568	48.26
Corporate Bodies	53	3.55	944425	15.33
Resident	1430	95.85	2242854	36.41
Total	1492	100.00	6159847	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 74.61% of the Equity Shares of the Company are held in the dematerialized form.

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

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

**Plant Locations of the Company**

**Unit-I**

#78, III Phase, Peenya Industrial Area,  
Bangalore - 560 058.  
Address for Correspondence

**Unit-II**

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

The Company's Registered Office is situated at:

#19, Ali Asker Road,  
Bangalore - 560 052.  
Tel: 080-41491251 (Extn. 131/138)  
Fax: 080-41491250  
E-mail ID: companysecretary@hittco.in.

Our Registrar and Transfers Agent's Address is:

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 particulars etc. to their respective Depository Participants (DPs) only. There is no need to inform these changes to the Company or its Registrar Transfer Agent.

For and on behalf of the Board of Directors

**SURENDRA BHANDARI**  
CHAIRMAN AND MANAGING DIRECTOR

**SIDHARTH BHANDARI**  
DIRECTOR

Place : Bangalore  
Date : 3rd September, 2015

To

The Member's of Hittco Tools Ltd

**DECLARATION BY THE CEO PURSUANT TO CLAUSE 49(1)(D)(II) OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT.**

In accordance with Clause 49 sub-clause I (D) of the Listing Agreement with the stock exchanges, I, SurendraBhandari, Managing Director 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, 2015.

Place: Bangalore  
Date: 03.09.2015

**SurendraBhandari**  
Managing Director

**CEO/CFO CERTIFICATION**

Date: 3 September, 2015

To

The Board of Director  
Hittco Tools Limited  
Bangalore

We, SurendraBhandari, Managing Director and RajibGhosh Roy, Chief Financial Officer of the company hereby certified to the Board that:

- A) We have reviewed financial statement and cash flow statement for the year ended 31 March, 2015 and that to the best of our knowledge and belief:
1. These statement do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading:
  2. These statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- B) There are, to the best of our knowledge and belief, no transaction entered into 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:
1. Significant change in internal control over financial reporting during the year:
  2. Significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements: and
  3. 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 Hittco Tools limited

**SurendraBhandari**  
(Managing Director)

For Hittco Tools Limited

**RajibGhosh Roy**  
(Chief Financial Officer)

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2015**

**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	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, KARNATAKA, INDIA – 560052. Contract No. 9972513005
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Cameo corporate Services Ltd. Subramanian Building, #1 Club House Road, Chennai-600 002. Tel : 044-28460390 Fax : 044-28460129

**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)

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

**III. VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual / HUF	681576	300584	982160	16.76	1282160	0	1282160	20.81	4.05
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	1690408	0	1690408	28.85	1690408	0	1690408	27.44	1.41



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Banks / FI									
f) Any other									
<b>Total shareholding of Promoter (A)</b>	2371984	300584	2672568	45.61	2972568	0	2972568	48.26	5.46
<b>B. Public Shareholding</b>									
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)									
<b>Sub-total (B)(1) :-</b>									
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	226395	819300	1045695	17.85	125125	819300	944425	15.33	2.52
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	788868	216930	1005798	17.16	744740	216280	961020	15.60	1.56
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	596164	151200	747364	12.75	739485	151200	890685	14.46	1.71
c) Others (specify)									
Non Resident Indians	372695	0	372695	6.36	374064	0	374064	6.07	0.29
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	0	0	0	0	1000	0	1000	0.02	0.02
Hindu Undivided Families	15727	0	15727	0.27	16085	0	16085	0.26	0.01
Foreign Bodies - D R									
<b>Sub-total (B)(2) :-</b>									
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1999849	1187430	3187279	54.39	2000499	1186780	3187279	51.74	2.65
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>4371833</b>	<b>1488014</b>	<b>5859847</b>	<b>100</b>	<b>4973067</b>	<b>1186780</b>	<b>6159847</b>	<b>100</b>	<b>19.68</b>

**B) Shareholding of Promoter-**

Sl. No.	Category of Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	SurendraBhandari	700684	11.96	0	1000684	16.25	0	4.29
2	SidharthBhandari	92699	1.58	0	92699	1.50	0	0.08
3	MadhuBhandari	70077	1.20	0	70077	1.14	0	0.06
4	ManeshaBhandari	118700	2.03	0	118700	1.93	0	0.10
5	IEM International Private limited	72000	1.23	0	72000	1.17	0	0.06
6	Fotoset Trading Company Private Limited	55700	0.95	0	55700	0.90	0	0.05
7	Hittco Properties Private Limited	352044	6.01	0	352044	5.72	0	0.29
8	BI Holding (Bangalore) Private Limited	917064	15.65	0	917064	14.89	0	0.46
9	Hitecc Prints (India) Private Limited	293600	5.01	0	293600	4.77	0	0.24

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	700684	11.96		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Date-28/04/2014, Increase in Share for the issue of Prefancial share			
	At the end of the year	100684	16.25		

**D) Shareholding Pattern of top ten Shareholders:**

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	K Priya	97,700	1.59		
2.	Foresight Financial Service limited	1,00,000	1.62		
3.	Foresight financial service limited	96,200	1.56		
4.	M/s Fortune Loyal (Hongkong) limited	6,00,000	9.74		
5.	DipakKanayalal Shah	2,10,000	3.41		
6.	MoizbhaiHakimuddinBoriawala	2,61,862	4.25		
7.	MehjabeenMoizBoriawala	80,670	1.31		

**E) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	SurendraBhandari (Managing Director)				
	At the beginning of the year	700684	11.96		
	Change during the year	300000			
	At the end of the year	1000684	16.25	1000684	16.25
2.	RajibGhosh Roy (Chief Financial Year)				
	At the beginning of the year	0	0		
	Change during the year	0			
	At the end of the year	0	0	0	0
3.	Chittaranjanjena (company Secretary)				
	At the beginning of the year	0	0		
	Change during the year	0	0		
	At the end of the year	0	0	0	0

**E) Shareholding of Directors and Key Managerial Personnel:**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year(01.04.2014)</b>				
i) Principal Amount	24607605	16709007	0	41316612
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	357588.00		0	357588
<b>Total (i+ii+iii)</b>	24965193	16709007	0	41674200
<b>Change in Indebtedness during the financial year</b>				
* Addition 1084108	0	0	1084108	
* Reduction	0	3081140	0	3081140
<b>Net Change</b>	1084108	3081140	0	3081140
<b>Indebtedness at the end of the financial year (31.03.215)</b>				
i) Principal Amount	31208374	13627867	0	44836241
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	31208374	13627867	0	44836241

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		MD	WTD	
1	Gross salary	7,50,000	7,95,600	1545600
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total (A)	7,50,000	7,95,000	15,45,600
	Ceiling as per the Act			

**B. Remuneration to other directors**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		-----	-----	-----	-----	
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/WTB**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CS	CFO	
1	Gross salary	NA	3,71,000	NA	3,71,000
	(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	0	3,71,000	0	3,71,000

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Section of the Companies Act	Section of the Companies Act
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR 2014-15  
(UPTO 31st MARCH 2015)**

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

To

The Members,  
HITTCO TOOLS LIMITED  
HTC ASPIRE,  
19, Ali Asker Road, 2nd Floor,  
Bangalore – 560 052.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HITTCO TOOLS LIMITED (here-in-after called the 'Company'). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of Hittco Tools Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit.

We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has Board-processes and compliance-mechanism in place to the extend, 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 HITTCO TOOLS LIMITED, Bangalore for the financial year ended on March 31, 2015 to the provisions of

- (i) The Companies Act, 2013 (The Act) and the rules made thereunder;
- (ii) 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;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

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 & the Committees of the Company are duly constituted subject to the above comments. 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.

We further report that there are adequate systems and procedures in the company commensurate with the size and operation of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has complied with the following compliances with respect to the new Companies Act, 2013 to the extent notified and applicable.

- a. Appointment of Key Managerial Personnel – Manager, CS & CFO.
- b. Constitution of various committees as applicable.
- c. Appointment of Internal Auditor.
- d. Appointment of Secretarial Auditor.
- e. Filing of applicable e-forms within the prescribed time limit.

Place: Bangalore  
Date : 24/08/2015

P PERIASWAMY  
COMPANYSECRETARY  
C. P. : 7319

## **INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
M/s Hittco Tools Limited

### **Report on the Financial Statements**

We have audited the accompanying standalone financial statements of M/s Hittco Tools Limited, which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Management is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Qualified Opinion**

1. **Sundry debtors, creditors and Loan and advances are subject to confirmation, we are unable to obtain sufficient appropriate audit evidence about the carrying amounts of sundry debtors and creditors as appropriate responses were not received by us, Consequently, we were unable to determine whether any adjustments to these amounts were necessary.**



2. **The Finished goods are valued at estimated cost. The estimated cost is arrived by deducting adhocpercentage towards margin from the selling price. We are unable to obtain sufficient appropriate audit evidence about approximation to the actual cost as required by the Accounting Standard-2“Valuation on inventory” from the records maintained by the company.**

### **Qualified Opinion**

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 matters described in the Basis for Qualified Opinion paragraph, The aforesaid standalone financial statements give the information required by the Act in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India

- (i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2015;
- (ii) In the case of the statement of profit or loss, of the loss for the year ended on that date;
- (iii) In the case of the cash flow statement, of the cash flows for the year ended on that date

### **Other Matters**

The financial statements of the company for the year then ended 31st March 2014 were audited by the erstwhile statutory auditor S Janardhan & Associates who expressed an unmodified opinion on those financial statements on 28th May 2014

### **Report on Other Legal and Regulatory Requirements**

1. As required by the companies (Auditor's Report) order, 2015 (the "Order") as issued by the central government of India in terms of Subsection (11) of section 143 of the Act, we give in the Annexure a statement of matters specified in Paragraph 3 and 4 of the order.
2. As required by section 143 (3) of the Act, we report that:
  - a. We have sought and, except for the matters described in the Basis for Qualified Opinion Paragraph, obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purpose of our audit;
  - b. Except for the possible effects of the matter described in the Basis for Qualified Opinion Paragraph above, in our opinion proper books of account as required by law have been kept By the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Reports are in agreement with the books of account.
  - d. Except for the possible effects of the matter described in the Basis for Qualified Opinion Paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, Read with Rule 7 of the Companies (Accounts) Rules, 2013;
  - e. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, will not have any adverse effect on the functioning of the Company.
  - f. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
  - g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
  - h. 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:

- I. The Company does not have any pending litigations which would impact its financial position
- II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
- III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company

For NAGESH &MYLAR  
Chartered Accountants  
(Firm Reg. No. 006477S)

(B.S.Mylar)  
Partner  
Membership No.223560  
Date: 22-05-2015

## **ANNEXURE TO AUDITORS REPORT**

Referred to in Point No.1 of Report on other legal and regulatory requirements our audit report of even date,

Based upon the information and explanation furnished to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief we report that

### **In respect of Fixed Assets**

- 1) a) The company is in the process of updating proper records of fixed assets showing full particulars including quantitative details and situation of its fixed assets.
- b) Subject to the above, the fixed assets are physically verified by the management at reasonable intervals having regard to the size of the company and the nature of its assets. As per the managements no material discrepancies have been noticed on such verification.

### **In Respect of its Inventories**

- 2) a) The inventory of the company has been physically verified by the Management during the year. In our opinion, the frequency of the verification is reasonable.
- b) The procedure of physical verification of stock followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of business.
- c) Inventory records maintained by the company do not facilitate arriving the cost of materials, cost of conversion and allocation of overheads. The mechanism of maintaining records should be strengthened considering the size and nature of the Company. As informed by the management no material discrepancies were noticed on physical verification.
- 3) As per the information given and to the best of our knowledge the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the registrar maintained under section 189 of the companies Act, 2013 except interest free advance of Rs.3,43,560/- to Mr. SidharthBhandari, no specific repayment terms hence we cannot comment on regularity of repayment.
- 4) Having regard to the nature of the company's business and based on our scrutiny of the company's records and information and explanations received by us, company needs to strengthen internal controls procedures commensurate with the size of the company and nature of the business with regards to purchase of inventory and fixed assets and sale of goods. During the course of our audit, we have not observed any continuing major weaknesses in internal but needs to strengthen.
- 5) Based on our scrutiny of the company's records and according to the information and explanations given to us, in our opinion the company has not accepted any deposits during the year. But some advances for supply of goods received before 1st April 2014 are still not appropriated against supply of goods.
- 6) As per the information and explanation given to us 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 no comment on the maintenance of cost records is required.
- 7) As per the information provided and explanation provided to us the company is generally regular in depositing the current year taxes in respect of P.F., E.S.I. and VAT.

As per the explanations and information provided to us there are no statutory dues not deposited on account of any dispute. There are no amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the company's Act, 1956(1 of 1956) rules made there under

- 8) Based on our scrutiny's of the company's records and according to the information and explanations to us there are no Accumulated losses at the end of the financial year. Also The Company has not incurred any cash loss during the year and in the immediately preceding financial year.
- 9) Based on our audit procedures and on the information and explanations given by the management we are of the opinion that the company has not defaulted in repayment of dues to bank or financial institution. Company has not borrowed any amounts by way of debentures.
- 10) According to records of the company and the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institution.
- 11) According to records of the company and the information and explanations given to us, the company has applied term loan for which the loan were obtained.
- 12) No fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For NAGESH &MYLAR  
Chartered Accountants  
(ICAI Firm Reg. No. 006477S)

(B.S.Mylar)  
Partner  
Mem. No.223560

Place: Bangalore  
Date: 22-05-2015

## **AUDITORS REPORT ON CORPORATE GOVERNANCE**

To

The Members of Hittco Tools Limited

We have examined the compliance of condition of corporate governance by Hittco tools Limited for the year ended 31STmarch 2015 as stipulated in Clause 49 of the Listing agreement of said company with the stock exchanges.

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

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

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

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

For NAGESH & MYLAR  
Chartered Accountants  
(ICAI Firm Reg. No. 006477S)

Place: Bangalore  
Date: 22.05.2015

**HITTCO TOOLS LTD**  
**Balance Sheet as at 31.03.2015**

Particulars	Note No.	31.03.2015 Rs.	31.03.2014 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	2.1	63,206,970	60,206,970
(b) Reserves and Surplus	2.2	(12,796,962)	2,112,881
(c) Money received against Share Warrants	2.3	-	3,000,000
<b>Non-current liabilities</b>			
(a) Long-term borrowings	2.4	31,208,374	24,607,605
(b) Deferred tax liabilities (Net)	2.5	3,613,000	7,219,000
(c) Other Long term liabilities	2.6	-	-
(d) Long-term provisions	2.7	5,141,292	4,264,871
<b>Current liabilities</b>			
(a) Short-term borrowings	2.8	13,627,867	16,709,007
(b) Trade payables	2.9	9,077,877	10,133,044
(c) Other current liabilities	2.10	11,832,701	11,818,272
(d) Short-term provisions	2.11	-	-
<b>TOTAL</b>		<b>124,911,119</b>	<b>140,071,650</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible assets	2.12	62,911,858	69,978,529
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	5,275,586
(b) Long-term loans and advances	2.13	4,030,790	6,432,835
(c) Other non-current assets	2.14	4,405,724	5,202,209
<b>Current Assets</b>			
(b) Inventories	2.15	24,615,155	21,592,022
(b) Trade receivables	2.16	25,593,332	25,613,085
(c) Cash and bank balances	2.17	219,334	1,905,402
(d) Short-term loans and advances	2.18	2,990,373	4,049,283
(e) Other current assets	2.19	144,553	22,699
<b>TOTAL</b>		<b>124,911,119</b>	<b>140,071,650</b>

The accompanying notes are an integral part of the financial statements.

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

**SurendraBhandariSidharthBhandari**  
**Chairman & Managing Director**

**Director**

**Chittaranjan Jena**  
**Company Secretary**

**RajibGhosh Roy**  
**CFO**

**As per our report of even date  
for Nagesh& Mylar  
Chartered Accountants  
Firms' Registration No.006677S**

**CA BS Mylar**  
**Partner**  
**Membership No.223560**

Place: Bangalore  
Date: 22/05/2015

**HITTCO TOOLS LTD**  
**Statement of Profit and Loss for the year ended 31.03.2015**

Particulars	Note No.	31.03.2015 Rs.	31.03.2014 Rs.
Revenue from operations(Gross)	2.21	81,494,591	86,440,513
Less: Excise Duty		7,411,463	8,951,330
		<u>74,083,128</u>	<u>77,489,183</u>
Other Income	2.22	1,913,574	1,096,534
<b>Total Revenue</b>		<b>75,996,703</b>	<b>78,585,717</b>
<b>Expenses:</b>			
Cost of materials consumed	2.23	21,489,736	16,648,203
Purchases of Stock in Trade		-	192,865
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.24	(3,337,547)	1,825,461
Employee benefits expense	2.25	22,457,837	22,643,315
Finance costs	2.26	3,932,750	3,116,124
Depreciation and amortisation expense	2.27	5,371,034	6,370,684
Other expenses	2.28	30,838,215	27,954,592
<b>Total Expenses</b>		<b>80,752,024</b>	<b>78,751,245</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>(4,755,322)</b>	<b>(165,528)</b>
Exceptional items	2.29	-	-
<b>Profit before extraordinary items and tax</b>		<b>(4,755,322)</b>	<b>(165,528)</b>
Extraordinary Items		-	-
<b>Profit before Tax</b>		<b>(4,755,322)</b>	<b>(165,528)</b>
Tax expense:			
Current tax		-	-
Deferred tax		515,000	324,000
<b>Profit after Tax</b>		<b>(5,270,322)</b>	<b>(489,528)</b>
Earnings per share:			
(1) Basic (Facevalue of Rs.10 each)		(0.88)	(0.09)
(2) Diluted (Facevalue of Rs.10 each)		(0.88)	(0.08)

The accompanying notes are an integral part of the financial statements.

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

**SurendraBhandariSidharthBhandari**  
**Chairman & Managing Director**

**Director**

**Chittaranjan Jena**  
**Company Secretary**

**RajibGhosh Roy**  
**CEO**

**As per our report of even date  
for Nagesh& Mylar**  
**Chartered Accountants**  
**Firms' Registration No.006677S**

**CA BS Mylar**  
**Partner**  
**Membership No.223560**

Place: Bangalore  
Date: 22/05/2015

**HITTCO TOOLS LTD**  
**Cash Flow Statement for the year ended 31st March 2015**

Particulars	Note No.	31.03.2015 Rs.	31.03.2014 Rs.
<b>A. Cash Flow from Operating Activities</b>			
Profit before Taxation and extraordinary items (before taxes)		(4,755,322)	(165,528)
Adjustments for Depreciation		5,371,034	6,370,684
(Profit)/Loss on sale of Tangible assets		-	(425,851)
Interest Expenditure		3,932,750	3,116,124
Interest Income		(276,407)	(291,073)
Investment Income		(1,626,183)	-
Other Non cash adjustments			698,161
<b>Operating Profit before working capital changes</b>		<b>2,645,871</b>	<b>9,302,516</b>
<b>Changes in Working Capital:</b>			
(Increase)/Decrease in Trade Receivables		19,753	(2,799,956)
(Increase)/Decrease in Inventories		(3,023,133)	3,073,556
(Increase)/Decrease in Loans and advances		3,468,390	4,331,676
(Increase)/Decrease in Other Current assets		674,631	(1,438,077)
(Increase)/Decrease in Other assets		-	425,321
(Increase)/Decrease in Trade Payables		(1,055,167)	(804,185)
Increase/(Decrease) in Current Liabilities		890,850	5,424,755
<b>Cash generated from Operations</b>		<b>3,621,194</b>	<b>17,515,608</b>
Taxes paid (Net of refunds)		7,431	(24,617)
Net cash generated from operations before extraordinary items		3,613,763	17,540,225
<b>Net cash generated from operating activities</b>		<b>3,613,763</b>	<b>17,540,225</b>
<b>B. Cash Flow from Investing Activities</b>			
Sale of Asset		-	-
Investment Income		1,626,183	-
Interest received		276,407	291,073
Purchase of Tangible/Intangible Assets		(6,789,299)	(6,807,618)
<b>Net Cash from Investing Activities</b>		<b>(4,886,709)</b>	<b>(6,516,545)</b>
<b>C. Cash flow from Financing Activities</b>			
Increase/(Repayment) of borrowings		3,519,629	(7,696,638)
Proceeds from share capital increase		3,000,000	3,005,840
Proceeds from issue of share warrants		(3,000,000)	(3,005,840)
Interest paid (3,932,750)		(3,116,124)	
Net cash raised in Financing activities		(413,121)	(10,812,762)
<b>Net increase in cash and cash equivalents</b>		<b>(1,686,067)</b>	<b>210,918</b>
Cash and Cash equivalents at the beginning of the year		1,905,401	1,694,484
Cash and Cash equivalents at the end of the year		219,334	1,905,401
<b>Cash and Cash equivalents comprise of</b>			
Cash on Hand		49,542	159,077
Balances with Banks		169,791	1,746,325

The accompanying notes are an integral part of the financial statements.

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

**SurendraBhandariSidharthBhandari**  
**Chairman & Managing Director**

**Director**

**Chittaranjan Jena**  
**Company Secretary**

**RajibGhosh Roy**  
**CFO**

**As per our report of even date  
for Nagesh& Mylar**  
**Chartered Accountants**  
**Firms' Registration No.006677S**

**CA BS Mylar**  
**Partner**  
**Membership No.223560**

Place: Bangalore  
Date: 22/05/2015



## 2 NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

### 2.1 SHARE CAPITAL

Particulars	As at 31.3.2015	As at 31.3.2014
<b>Authorised</b>		
70,00,000 ( March 31,2014 :70,00,000) Equity Shares of Rs.10/- each	7,00,00,000	7,00,00,000
<b>Issued</b>		
64,29,147 (March 31,2014 :64,29,147) Equity Shares of Rs.10/- each	6,42,91,470	6,42,91,470
<b>Subscribed and fully Paid up:</b>		
59,12,247 ( March 31, 2014 : 56,12,247) Equity Shares of Rs. 10/- fully paid up	5,91,22,470	5,61,22,470
<b>Subscribed and partly Paid up:</b>		
247,600 ( March 31, 2014 : 247,600) Equity Shares of Rs.5/- Partly paid up	12,38,000	12,38,000
<b>Forfeited Shares:</b>		
569,300 ( March 31, 2014 : 569,300) Equity Shares of Rs. 5/- not reissued	28,46,500	28,46,500
<b>Total</b>	<b>6,32,06,970</b>	<b>6,02,06,970</b>

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 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	As at 31st March 2015		As at 31st March 2014	
Equity Shares:	Number of Shares	Amount Rs.	Number of Shares	Amount Rs.
Balance as at the beginning of the previous year				
Fully paid up (Rs. 10/- each)	56,12,247	5,61,22,470	53,11,663	5,31,16,630
Partly paid up (Rs. 5/- each)	2,47,600	12,38,000	2,47,600	12,38,000
Add: Shares issued during the year in the ratio of 1:1 pursuant to Conversion of Share warrants into Equity Shares Fully paid up (Rs. 10/- each)**	3,00,000	30,00,000	3,00,584	30,05,840
Balance as at the end of the year	61,59,847	6,03,60,470	58,59,847	5,73,60,470

\*\* During the year the company has converted Share Warrants of 3,00,000 into one equity share of the company of nominal value of Rs. 10/-, at a price of Rs. 10/- per share and allotted to one of the Promoter Director Mr. Surendra Bhandari

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

	As at 31st March 2015		As at 31st March 2014	
	No. of Shares	Percentage	No. of Shares	Percentage
Fortune Loyal Hongong Ltd	6,00,000	9.74%	6,00,000	10.24%
Surendra Bhandari **	10,00,684	16.25%	7,00,684	11.96%
Hitech Prints India Pvt Ltd	2,93,600	4.77%	2,93,600	5.01%
Hittco Properties Pvt Ltd	3,52,044	5.72%	3,52,044	6.01%
B I Holdings Bangalore Pvt Ltd	9,17,064	14.89%	9,14,064	15.60%

**2.2 RESERVES AND SURPLUS**

Particulars	As at 31.3.2015	As at 31.3.2014
<b>(a) Capital Reserve</b>		
Opening balance	30,00,000	30,00,000
Add: Addition during the year	-	-
<b>Balance as at the end of the year</b>	<b>30,00,000</b>	<b>30,00,000</b>
<b>(b) Securities Premium account</b>		
Opening balance	1,32,00,000	1,32,00,000
Add: Receipt on issue of securities	-	-
<b>Balance as at the end of the year</b>	<b>1,32,00,000</b>	<b>1,32,00,000</b>
<b>(c) General Reserve</b>		
Opening balance	-	-
Add : transfer	-	-
Balance as at the end of the year	-	-
<b>(d) Surplus in Statement of Profit and Loss</b>		
Opening balance	(1,40,87,119)	(1,35,97,591)
Add: Profit/(Loss) for the year	(52,70,322)	(4,89,528)
<b>Amount available for appropriation</b>	<b>(1,93,57,441)</b>	<b>(1,40,87,119)</b>
<b>Less : *Adjusted for Depreciation(a) &amp; deferred Tax</b>	<b>96,39,521</b>	
Transfer to General Reserve	-	-
<b>Balance as at the end of the year</b>	<b>(2,89,96,962)</b>	<b>(1,40,87,119)</b>
<b>Total</b>	<b>(1,27,96,962)</b>	<b>21,12,881</b>

\*During the year ,the company has adopted estimated useful life of fixed assets as stipulated by Schedule II to the Companies Act,2013 , Accordingly , depreciation net of deferred tax of Rs.96,32,521/- on account of assets whose useful life is already exhausted on April 01,2014 has been adjusted against General Reserve.

\*\* During the year the company has converted Share Warrants of 3,00,000 into one equity share of the company of nominal value of Rs. 10/-, at a price of Rs. 10/- per share and allotted to one of the Promoter Director Mr. Surendra Bhandari

## 2.3 SHARE WARRANTS ISSUED

Particulars	As at 31.3.2015	As at 31.3.2014
Nil ( March 31, 2014 : 3,00,000) Share warrants at Rs.10/- per warrant	-	30,00,000
<b>Total</b>	<b>-</b>	<b>30,00,000</b>

## 2.4 LONG TERM BORROWINGS

Particulars	As at 31.3.2015	As at 31.3.2014
Secured:		
Term Loans from Banks	1,54,51,272	94,34,097
Unsecured		
Loans from related parties:		
- Directors	11,94,640	-
- Associated enterprises	1,45,62,462	1,51,73,508
<b>Total</b>	<b>3,12,08,374</b>	<b>2,46,07,605</b>

### Note 2.4A Terms of Repayment of Long Term Borrowings & Nature of Security

a)	Term Loans from Banks	Repayment Terms	Security
	Kotak Term loan - 108*	Equated Monthly Installment of Rs. 227019 /- each	Hypothecation of Current & Fixed assests
	Kotak mahindra prime Honda amaze	Equated Monthly Installment of Rs. 14425/- each	Hypothecation of Vehicle
	Kotak mahindra prime KKR Car loan	Equated Monthly Installment of Rs. 20768/- each	Hypothecation of Vehicle
	Kotak Mahindra Car Loan	Equated Monthly Installment of Rs. 73500/- each	Hypothecation of Vehicle
	Kotak Mahindra Prime Car Loan	Equated Monthly Installment of Rs. 27918/- each	Hypothecation of Vehicle
	Kotak Mahindra Car Loan Skoda	Equated Monthly Installment of Rs. 169182/- each	Hypothecation of Vehicle
b)	Term loan from related parties	No specific repayment terms agreed	Un secured
<b>Total</b>			

#### Nature of Security:\*

Term Loan & bank over draft sanctioned by the Bank are primarily secured by extension of charge over all existing and future current assets/ moveable fixed assets of the company banking facilities are further collaterally secured by:

1. Equitable (unregistered) MOE over commercial property located at Mumbai owned by one of the Group company.
2. Registered MOE over residential properties located at HTC Thakural Apartment, Bangalore owned by one of the Group Company.
3. Lien marking of on Company Fixed Deposit
4. Registered MOE over two residential properties located at Ganganagar, Bangalore owned by one of the Group Company and one of the director

All the banking facilities are further personally guaranteed by two directors

\*Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the company. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the balance sheet date

**2.5 DEFERRED TAXES**

Particulars	As at 31.3.2015	As at 31.3.2014
Deferred Tax Liabilities		
Attributable to Depreciation	53,09,000	90,19,000
<b>Deferred Tax assets</b>		
Attributable to:		
Expenses allowable for tax purposes when paid	16,96,000	18,00,000
<b>Total</b>	<b>36,13,000</b>	<b>72,19,000</b>

**2.6 OTHER LONG TERM LIABILITIES**

Particulars	As at 31.3.2015	As at 31.3.2014
Security Deposit from Customers	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**2.7 LONG TERM PROVISIONS**

Particulars	As at 31.3.2015	As at 31.3.2014
Provision for Gratuity(Unfunded)	51,41,292	42,64,871
<b>Total</b>	<b>51,41,292</b>	<b>42,64,871</b>

**2.8 SHORT TERM BORROWINGS**

Particulars	As at 31.3.2015	As at 31.3.2014
Secured:		
Loans Repayable on demand from banks		
Kotak Mahindra Bank Ltd - Cash Credit Account (Primarily Secured by hypothecation of stock and Book debts )	1,36,27,867	1,67,09,007
<b>Total</b>	<b>1,36,27,867</b>	<b>1,67,09,007</b>

**2.9 TRADE PAYABLES**

Particulars	As at 31.3.2015	As at 31.3.2014
Due to Micro, small and Medium Enterprises*	1,23,533	-
Others	89,54,344	1,01,33,044
<b>Total</b>	<b>90,77,877</b>	<b>1,01,33,044</b>

**2.10 OTHER CURRENT LIABILITIES**

Particulars	As at 31.3.2015	As at 31.3.2014
(i) Current maturities of long- term debt*	49,72,816	30,57,881
(ii) Income received in advance	-	11,80,905
(iii) Other Payables		
Payable to employees	13,99,722	26,57,662
Statutory dues ( Including Provident Fund, Withholding and other taxes payable)	27,17,290	24,53,572
Current obligation of Gratuity	-	4,18,241
Security deposit from customers	26,10,609	18,75,000
Others	1,32,264	1,75,011
<b>Total</b>	<b>1,18,32,701</b>	<b>1,18,18,272</b>

\* Refer Note No.2.4A for Terms of repayments and nature of security

**2.11 SHORT TERM PROVISIONS**

Particulars	As at 31.3.2015	As at 31.3.2014
(i) Other Provisions	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**2.13 LONG TERM LOANS AND ADVANCES**

Particulars	As at 31.3.2015	As at 31.3.2014
Unsecured, Considered good Advances for Capital goods	1,86,214	26,50,219
Security Deposits	38,44,576	37,82,616
<b>Total</b>	<b>40,30,790</b>	<b>64,32,835</b>

**2.14 OTHER NON CURRENT ASSETS**

Particulars	As at 31.3.2015	As at 31.3.2014
Fixed deposits with banks with maturity period more than 12 months (all Fixed deposits are lien marked as the security towards the Term Loan & other facilities availed from Kotak Mahindra Bank Ltd)	24,05,822.00*	32,02,307
Other advances- Due from related party	19,99,901.89	19,99,902
<b>Total</b>	<b>44,05,723.89</b>	<b>52,02,209</b>

Company has fixed deposit worth of Rs.5,06,577/-in HDFC bank same is not reflected in Books of Accounts

**2.15 INVENTORIES(At the lower of cost and net realisable value)**

Particulars	As at 31.3.2015	As at 31.3.2014
(a) Raw materials	12,22,577	13,01,180
(b) Work-in-progress	36,03,051	38,15,390
(c) Finished goods	1,74,36,982	1,38,87,096
(d) Stock-in-trade	6,20,337	6,20,337
(e) Consumables Stores and Spares	17,32,208	19,60,498
(f) Packing materials	-	7,521
<b>Total</b>	<b>2,46,15,155</b>	<b>2,15,92,022.09</b>

**2.16 TRADE RECEIVABLES**

Particulars	As at 31.3.2015	As at 31.3.2014
<u>Unsecured, considered good</u>		
Outstanding for a period exceeding six months from the date they are due for payment	66,49,400	55,76,732
Others	1,89,43,932	2,00,36,353
<b>Total</b>	<b>2,55,93,332</b>	<b>2,56,13,085</b>

**2.17 CASH AND BANK BALANCES**

Particulars	As at 31.3.2015	As at 31.3.2014
Cash and Cash equivalents:		
Cash on hand	49,542	1,59,077
Balances with Banks		
In current Account	1,69,791	17,46,325
Fixed deposits with maturity more than 3 months but less than 12 months	-	-
<b>Total</b>	<b>2,19,334</b>	<b>19,05,402</b>

**2.18 SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31.3.2015	As at 31.3.2014
(Unsecured, considered good)		
Balances with revenue authorities	6,89,002	6,96,438
Advance paid for suppliers	9,21,929	22,98,862
Prepaid expenses	-	1,76,109
Staff advances & Others	13,79,441	8,77,875
<b>Total</b>	<b>29,90,373</b>	<b>40,49,283</b>

**2.19 OTHER CURRENT ASSETS**

Particulars	As at 31.3.2015	As at 31.3.2014
(Unsecured, considered good)		
Income accrued on deposits	1,44,553	22,699
<b>Total</b>	<b>1,44,553</b>	<b>22,699</b>

**2.20 CONTINGENT LIABILITIES AND COMMITMENTS**

Particulars	As at 31.3.2015	As at 31.3.2014
	Rs.	Rs.
<b>(to the extent not provided for)</b>		
Bank Guarantees extended by bankers	4,45,924	44,05,000
On account of capital contracts remaining to be executed	-	7,20,517
Income Tax	4,79,863	15,35,620

**2.21 REVENUE FROM OPERATIONS**

Particulars	Year ended 31st March 2015		Year ended 31st March 2014	
(a) Sale of Products				
Finished goods	8,14,94,591		8,63,61,893	
Less: Excise Duty	74,11,463	7,40,83,128	89,51,330	7,74,10,563
(b) Sale of Traded Goods		-		78,620
<b>Total</b>	<b>7,40,83,128</b>		<b>7,74,89,183</b>	

**2.22 OTHER INCOME**

Particulars	Year ended 31st March 2015		Year ended 31st March 2014	
(a) Interest Income from Banks	2,76,407		2,91,073	
(b) Liabilities written back to the extent no longer required	-		2,61,670	
(c) Profit on sale of asset	-		4,25,851	
(d) Miscellaneous income	16,37,167		1,17,940	
<b>Total</b>	<b>19,13,574</b>		<b>10,96,534</b>	

**2.23 COST OF MATERIAL CONSUMED**

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
<b>Raw Material Consumed:</b>		
Opening inventory	13,01,180	25,38,989
Add: Purchase	2,12,02,406	1,47,89,523
Less: Inventory at the end of the year	12,22,577	13,01,180
Cost of Raw Material consumed during the year	2,12,81,009	1,60,27,332
<b>Packing Material consumed:</b>		
Opening inventory	7,521	1,35,350
Add: Purchase	2,01,206	4,93,042
Less: Inventory at the end of the year	-	7,521
Cost of Packing Material consumed during the year	2,08,727	6,20,871
<b>Total</b>	<b>2,14,89,736</b>	<b>1,66,48,203</b>

**2.24 CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS**

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
(Increase)/Decrease in Stocks		
Stock at the end of the year:		
Finished Goods	1,74,36,982	1,38,87,096
Work-in-Progress	36,03,051	38,15,390
Stock in Trade	6,20,337	6,20,337
<b>TOTAL A</b>	<b>2,16,60,370</b>	<b>1,83,22,823</b>
Less: Stock at the beginning of the year		
Finished Goods	1,38,87,096	1,67,78,487
Work-in-Progress	38,15,390	27,85,531
Stock in Trade	6,20,337	5,84,266
<b>TOTAL B</b>	<b>1,83,22,823</b>	<b>2,01,48,284</b>
<b>(Increase)/Decrease in Stocks (A-B)</b>	<b>(33,37,547)</b>	<b>18,25,461</b>

**2.25 EMPLOYEE BENEFIT EXPENSES**

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
Salaries, Wages and Bonus	1,87,17,559	1,93,94,387
Contribution to Provident and other funds	15,83,948	14,61,234
Staff welfare expenses	13,09,522	12,30,811
Gratuity	8,46,808	5,56,883
<b>Total</b>	<b>2,24,57,837</b>	<b>2,26,43,315</b>

(Refer Note: 2.36 on disclosure requirement as per Accounting Standard 15 on Employee benefits)

\*Includes EPF related to 2002-2003

**2.26 FINANCE COSTS**

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
Intrest Expenses	37,39,925	38,37,803
Foreigh Exchang Gain Or Loss	1,92,825	(7,21,679)
<b>Total</b>	<b>39,32,750</b>	<b>31,16,124</b>

**2.27 DEPRECIATION AND AMORTISATION EXPENSES**

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
Depreciation on tangible assets	53,71,034	63,70,684
<b>Total</b>	<b>53,71,034</b>	<b>63,70,684</b>

**2.28 OTHER EXPENSES**

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
Power and Fuel	28,90,790	25,41,474
Heat Treatment Charges	14,59,562	15,14,142
Stores and spares consumed	81,68,930	50,35,084
Increase/(decrease) of Excise duty on Finished goods	4,24,876	(4,25,984)
Rent	14,28,984	13,80,383
Labour charges	2,11,690	1,00,129
Coating Charges	20,63,591	18,43,283
Repairs and Maintenance – Plant and Machinery	88,153	9,47,414
Repairs and Maintenance – Building	2,07,383	4,36,776
Repairs and Maintenance – Others	5,77,798	9,51,516
Insurance	4,05,964	3,87,277
Rates and Taxes	9,35,268	8,52,260
Travelling Expenses	26,80,600	25,05,682
Conveyance	6,00,132	8,26,924
<b>Auditors Remuneration &amp; Expenses</b>		
Satutory Audit Fess	1,00,000	1,15,000
	<u>14,000</u>	<u>14,214</u>
Vat audit fees	12,079	-
Internal audit fees	1,09,440	-
Cost Audit Fess	25,000	-
COURIER CHARGES	9,10,791	7,64,588
Exhibition Expenses	11,53,764	3,42,351
BANK CHARGES	1,62,253	3,87,168
Exhibition -Foreign	2,09,558	3,19,815
Professional fees	3,02,616	11,78,747
PRINTING & STATIONERY	5,82,337	5,37,633
Advertisement and other selling expenses	1,13,740	61,500
Water charges	2,46,094	1,63,803
TELEPHONE EXPENSES	1,54,107	1,27,479
Custom Duty - Import	2,53,280	14,797
SECURITY CHARGES	7,32,300	4,92,226
Freight charges	4,80,743	7,98,504
Sales Promotion expenses	22,77,513	24,82,712
Miscellaneous expenses	8,54,879	12,57,696
<b>Total</b>	<b>3,08,38,215</b>	<b>2,79,54,592</b>



**2.29 EXCEPTIONAL ITEMS**

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
Prior Period Items	-	-
Income tax relating to earlier years	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**2.30 CIF VALUE OF IMPORTS**

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
Raw Materials	1,07,83,806	54,66,363
Trading items	-	1,92,865
Capital Goods	-	64,16,011
<b>Total</b>	<b>1,07,83,806</b>	<b>1,20,75,239</b>

**2.31 EXPENDITURE INCURRED IN FOREIGN CURRENCY**

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
Travelling expenses	24,94,288	22,54,187
Exhibition Expenses	2,09,558	5,41,755

**2.32 DETAILS OF CONSUMPTION AND PURCHASES**

Particulars		Year ended 31st March 2015		Year ended 31st March 2014	
a)	Details of Raw Materials Consumed				
	H S S Steel		92,81,757		73,21,927
	Carbide		1,19,99,252		87,05,405
	Total		2,12,81,009		1,60,27,332
b)	Details of value of imported and indigenous material consumed	Imported	Indigenous	Imported	Indigenous
	Raw Materials and Stores and Spares	1,49,78,604	1,44,71,336	77,84,890	1,32,77,526
	Percentage	50.86%	49.14%	37%	63.04%
	Total	1,49,78,604	1,44,71,336	77,84,890	1,32,77,526
c)	Purchase of Traded goods				
	Traded goods	-	-	1,92,865	-
	Total	-	-	1,92,865	-

**2.33 DIVIDEND REMITTED IN FOREIGN EXCHANGE**

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
Dividend paid during the year	Nil	Nil
Number of Non Resident Shareholders	Nil	Nil
Number of equity shares held by such Non Resident Shareholders	Nil	Nil
Year to which the Dividend relate to	Nil	Nil

**2.34 EARNINGS IN FOREIGN CURRENCY**

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
Revenue from exports on FOB basis	16,86,230	32,60,218

**2.35 EARNINGS PER SHARE**

Particulars	Year ended 31st March 2015		Year ended 31st March 2014	
	Basic extra-ordinary items	After extra-ordinary items	Basic extra-ordinary items	After extra-ordinary items
<b>(a) Basic</b>				
Profit after tax	(52,70,322)	(52,70,322)	(4,89,528)	(4,89,528)
Weighted average number of shares outstanding	60,13,033	60,13,033	55,21,109	55,21,109
Basic EPS	(0.88)	(0.88)	(0.09)	(0.09)
<b>(b) Diluted</b>				
Profit after tax	(52,70,322)	(52,70,322)	(4,89,528)	(4,89,528)
Weighted average number of shares outstanding	60,13,033	60,13,033	55,21,109	55,21,109
Add: Weighted average number of potential equity shares	-	-	3,00,000	3,00,000
Weighted average number of shares outstanding for diluted EPS	60,13,033	60,13,033	58,21,109	58,21,109
Diluted EPS	(0.88)	(0.88)	(0.08)	(0.08)
Face value per share		Rs. 10 per share		Rs. 10 per share

**2.36 EMPLOYEE BENEFITS**

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
-------------	----------------------------	----------------------------

The details required under AS 15 – 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	31.3.2015 Rs.	31.3.2014 Rs.
Present value of Defined benefit obligation		
Obligations at Period beginning	46,83,112	49,07,060
Service cost	6,05,468	2,71,772
Interest cost	3,59,104	3,61,332
Actuarial (Gain) / Loss	(1,17,764)	(76,221)
Benefits paid	(3,88,628)	(7,80,831)
<b>Obligations at Period at the end of the year</b>	<b>51,41,292</b>	<b>46,83,112</b>

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	-	-
Contributions	-	-
Benefits paid	-	-
<b>Plan assets at period end at fair value</b>	-	-

**Assets/liabilities recognised in the balance sheet**

Fair value of plan assets at period end	-	-
Present value of the defined benefit obligations at the end of the period	51,41,292	46,83,112
<b>Asset / (Liability) recognised in the balance sheet</b>	<b>(51,41,292)</b>	<b>(46,83,112)</b>

**Assumptions**

Discount rate	7.80%	8.00%
Estimated salary escalation rate	5.00%	5.00%

**Expenses recognised in the Statement of Profit and Loss**

Service cost	6,05,468	2,71,772
Interest cost	3,59,104	3,61,332
Expected return on plan assets	-	-
Actuarial (Gain) / Loss	(1,17,764)	(76,221)
Net cost	8,46,808	5,56,883

**2.37 SEGMENT REPORTING**

The Company is engaged primarily in one segment of manufacture of tools and hence the Segment reporting is not applicable

**2.38 MANGERIAL REMUNERATION**

Name	Remuneration		Provident Fund	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Sidharth Bhandari -Key Management Personnel	7,50,000	15,00,000	5,700	9,360
Rajib Gosh Roy - CFO	7,95,600	7,64,600	16,020	9,360
Chittaranjan Jena	3,71,000	90,000	13,980	3,495
<b>Total</b>	<b>19,16,600</b>	<b>23,54,600</b>	<b>35,700</b>	<b>22,215</b>

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.

**2.39 Deivative instruments and unhedged foreign currency exposure**

Particulars of unhedged foreign currency exposures as at the reporting date

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
Trade Payables (in Euro)	Euro 53,435 Rs. 36,07,418	Euro 53,435; Rs. 44,12,475
Trade Receivable (in USD)	USD 18050.91 Rs. 1130838/-	USD 54,547.56 Rs. 32,78,297

## 2.40 DUES TO MICRO AND SMALL ENTERPRISES

Particulars on small scale industries have been furnished to the extent such parties have been identified on the basis of information available with the company. The Suppliers registered under MSMED act to whom the company owes any sum which is outstanding more than 30 days as on 31st march 2015:

1. Machine Elements      2. U tech rubber products Pvt ltd.

	31.03.2015	31.03.2014
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,23,533	1,26,033
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	Nil	Nil
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	Nil	Nil
Further interest remaining due and payable for earlier years.	Nil	Nil

**2.41 In the Opinion of Board of Directors, Current Assets, Loans and Advances, have atleast the value as stated in the Balance Sheet, if realised in the ordinary course of the business.**

**2.42 Debtors and creditors are subject to confirmation.**

**2.43 Pursuant to Accounting Standard (AS 28) - Impairment of assets, the Company assessed its fixed assets for impairment as at March 31,2015 and concluded that there has been no significant impaired fixed asset that needs to be recognised in the books of account.**

## 2.44 TRANSACTIONS WITH RELATED PARTIES (as identified by the Company)

Description of the nature of transaction	Description of Relationship	Related Party	Year ended 31st March 2015	Year ended 31st March 2014
Sale of Goods	Associate Company	HTC Tools And Trading co. Ltd.,	-	1,03,265
Remuneration paid	Key Managerial Personnel	Sidharth Bhandari	7,55,700	15,09,360
	Key Managerial Personnel “	Rajib Gosh Roy	8,11,620	7,73,960
	Company Secretary	Chittaranjan Jena	3,84,980	93,495
	Key Managerial Personnel “	K Raghavendra Rao	-	2,58,320
Reimbursement of expenses	Key Managerial Personnel “	Sidharth Bhandari	18,75,062	-
	Associate Company	HTC Precision Pvt. Ltd	1,73,909	1,01,474
Rent paid	Associate Company	Hittco Properties Pvt. Ltd	-	1,20,000
	Associate Company	HTC Precision Pvt. Ltd	3,37,080	3,37,080
Advances received	Associate Company	Hittco Properties Pvt Ltd	2,500	12,88,680

## Hittco Tools Ltd.

	Associate Company	Indo European Machinery Company Pvt. Ltd	27,52,065	3,08,882
	Associate Company	Specialized Micro Tools Pvt. Ltd	-	-
	Associate Company	HTC Properties Pvt. Ltd.	17,94,049	11,50,842
	Associate Company	B I Holdings Bangalore Pvt. Ltd	-	16,03,335
	Associate Company	BI Realtors Pvt ltd.	3,80,558	
	Associate Company	Hitech Prints (I) Pvt Ltd	-	19,528
	Associate Company	Specialized Micro Tools Pvt. Ltd	-	1,81,890
	Associate Company	Sanctum Decors Pvt Ltd	73,364	2,51,783
	Key Managerial Personnel “	Surendra Bhandari	86,482	48,000
	Key Managerial Personnel	Siddharth Bhandari	1,800	-
Advances given	Associate Company	HTC Properties Pvt. Ltd.	13,23,233	-
	Associate Company	Indo European Machinery Company Pvt. Ltd		30,88,905
	Associate Company	B I Holdings (Bangalore) Pvt Ltd	10,00,000	2,395
	Associate Company	Hitech Prints (I) Pvt Ltd	1,564	
	Associate Company	Hittco Realtors Pvt Ltd	53,280	2,52,638
	Associate Company	BI Realtors Pvt ltd.	2,56,333	2,14,853
	Associate Company	Specialized Micro Tools Pvt. Ltd	-	11,500
Payable at year end	Associate Company	Hittco (Thailand) Ltd	19,99,902	19,99,902
	Associate Company	Fotoset Company Pvt Ltd	7,75,485	7,75,485
	Associate Company	Hitech Prints (I) Pvt Ltd	35,64,946	35,66,510
	Associate Company	Hittco Properties P Ltd	62,96,949	63,14,759
	Associate Company	HTC Precision P Ltd	4,70,816	-
	Associate Company	Specialized Micro Tools Private ltd	9,84,390	9,81,890
	Associate Company	B I Realtors Pvt ltd	4,24,225	3,00,000
	Associate Company	I.E.M CO. PVT. LTD	1,75,566	3,84,863
	Associate Company	Hittco Realtors Pvt Ltd (Sanctom Decor Pvt Ltd)	20,084	
	Associate Company	B I Holdings (Bangalore) Pvt Ltd	18,50,000	28,50,000
	Key Managerial Personnel	SURENDRA BHANDARI	14,90,000	-
Receivable at year end	Key Managerial Personnel	Siddharth Bhandari	3,43,560	-

**List of related parties:**

<b>Key Management Personnel</b>	<b>Other Associates/Other related party</b>	
Sidharth Bhandari	HTC Properties Pvt. Ltd.	Hindustan Tools Corporation
Surendra Bhandari	HTC Precision Pvt. Ltd	Fotoset Company Pvt Ltd
Madhu Bhandari	Indo European Machinery Company Pvt. Ltd	Hitech Prints (I) Pvt Ltd
K Raghavendra Rao	Specialized Micro Tools pvt Ltd	B I Realtors Pvt ltd
Rajib Gosh Roy	B I Holdings Bangalore P Ltd	Hittco (Thailand) Ltd
Chittaranjan Jena		

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

Surendra Bhandari  
Chairman & Managing Director

Sidharth Bhandari  
Director

Chittaranjan Jena  
Company Secretary

Rajib Ghosh Roy  
CFO

As per our report of even date  
for Nagesh & Mylar  
Chartered Accountants  
Firms' Registration No.006677S

CA BS Mylar  
Partner  
Membership No.223560

Place : Bangalore  
Date : 22/05/2015

**Hittco Tools Limited**  
**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

CIN: L28939KA1995PLC016888

Name of the company: HITTCO TOOLS LIMITED

Registered office: HTC Aspire, 19, Aliasker Road, 2nd Floor, Bangalore - 560052

E- mail: info@hittco.com

Website: www.hittco.com

Name of the member (s) : .....

Registered Address : .....

E-mail Id : .....

Folio No/ Client ID : .....

DP ID : .....

I, being the member of ..... shares of the above named company, hereby appoint

Name : .....

Address : .....

E-mail id: .....

Signature : .....

as my proxy to attend and vote (on a poll) for me and on my behalf at the 21th Annual General Meeting of the company, to be held on the 30th September, 2015 at 11 A.M at "SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore – 560 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Ordinary Business**

Sl. No.	Resolution	Option	
		For	Against
1.	Adoption of Financial Statement for the year ended on 31st March, 2015		
2.	Re-appointment of Mr. SidharthBhandari as a Director who retires by rotation and eligible for re-appointment.		
3.	Appointment M/s. Mishra & Co. Chartered Accountants, Firm Regn. No. 012355S be and are hereby appointed Statutory Auditors of the Company in place of the retiring Auditors, M/s.Nagesh& Associates, Chartered Accountants and fix their remuneration.		

**Special Business**

Sl. No.	Resolution	Option	
		For	Against
5.	To Continue the Managing Director After the age of 70 year.		
6.	To consider adoption of newly substituted Article Of Association of the company containing regulation in line with the companies Act,2013		

Signed this ..... day of ..... 20.....

Signature of shareholder.....

Signature of Proxy holder(s) .....

**Note :**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 21th Annual General Meeting.
3. Please complete all details including details of member(s) in above box before submission.
4. \* It is optional to put a "X" in the appropriate column against the Resolutions indicated in the box. If you leave the "for" or "against" column blank against any or all Resolutions, your proxy will entitle to vote in the manner as he / she thinks appropriate.
5. A person can act as Proxy on behalf of fifty (50) members and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other Member.



## This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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**ATTENDANCE SLIP**

**Hittco Tools Limited**

HTC Aspire, 19, Aliasker Road, 2nd Floor, Bangalore - 560052

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

CIN: L28939KA1995PLC016888

Name of the company: HITTCO TOOLS LIMITED

Registered office: HTC Aspire, 19, Aliasker Road, 2nd Floor, Bangalore - 560052

E- mail: info@hittco.com

Website: www.hittco.com

**21TH ANNUAL GENERAL MEETING**

**Date: 30th September, 2015: Time: 11A.M**

**Place: "SHANTALA" conference hall, Ashraya International Hotel, #149, Inantry Road, Bangalore-560001,**

Member's Folio/DPID-Clint ID No. ....

No. of Share : .....

Member's /Proxy's name (in Block Letter) : .....

**Note:**

1. Sign this attendance slip and hand it over at the attendance verification counter at the entrance of the meeting hall.
2. Bodies corporate, whether a company or not, who are members, may attend through their authorized representatives appointed under section 113 of the companies act, 2013. A copy of authorization should be deposited with the company.
3. In case of share held in demat/electronic form, the signature of the Beneficial owner is liable for verification with the record furnished to the company by NSDL/CDSL.
4. Electronic copy of the 21th Annual Report and Notice of the Annual General Meeting (AGM) along with attendance slip and proxy form is being sent to all the members whose email address is registered with the company/Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of the Attendance slip.
5. Physical copy of the 21th Annual Report and Notice of the AGM along with attendance slip and proxy form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

E-voting facility is available during the following voting period

Commencement of E-voting	27th September, 2015 (from 9.00 A.M)
End of E-voting	29th September, 2015 ( upto 5.00 P.M)

Please refer notice for instruction on e-voting.

**BOOK - POST**

If undelivered please return to :

**Hittco Tools Limited**  
**# 19, Aliasker Road,**  
**Bangalore - 560 052.**