

HITTCO TOOLS LTD.



Corporate Office : HTC Aspire, 2nd Floor, 19 Ali Asker Road, Bangalore - 560 052 Tel : +91-80-4086 5000 Fax : +91-80-4086 5026 E-mail: info@hittco.com

HTL/BSE/30092016/2016-17

12th October, 2016

To,
Manager- Listing
Dept. of corporate services,
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001
Ph- 022-22721234

Dear Sir,

Sub: ANNUAL REPORT OF FINANCIAL YEAR 2015-16

REF: SCRIP CODE- 531661

With reference of the above subject, kindly find the annual report of Hittco Tools Limited of financial year 2015-16 as per Regulation 34(1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

This is for your kind information and record.

Thanking you

For Hittco tools Limited


Manjeet Kumar
Company Secretary



Works: # 78, III Phase, Peenya Industrial Area, Bangalore - 560 058 INDIA. Tel: +91-80-2839 2265 / 2839 4327
Fax : +91-80-2893 4049 E-mail : sales@hittco.com Website : www.hittco.com



AN ISO 9001-2008 COMPANY

Hittco Tools Ltd.

**22ND Annual
Report 2015-
2016**

BOARD OF DIRECTORS : Mr. Surendra Bhandari-Chairman Cum Managing Director
Mrs. Madhu Bhandari
Mr. Sidharth Bhandari
Mr. Rajib Ghosh Roy
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. Mishra & Co.

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	Unit-II
		#78, III Phase, Peenya Industrial Area, Bangalore-560 058.	#78, III Phase, Peenya Industrial Area, Bangalore-560 058.

REGISTERED & CORPORATE OFFICE: #19, Aliasker Road,
Bangalore - 560 052.

BANKERS : 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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PROXY FORM & ATTENDANCE SLIP

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2015-2016

HITTCO TOOLS LIMITED

NOTICE

NOTICE is hereby given that the 22ND Annual General Meeting of the Members of **HITTCO TOOLS LIMITED** will be held at 11.00 A.M on Friday, the 30th September 2016 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 2016 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. Rajib Ghosh Roy (DIN: 03050182) who retires by rotation and being eligible, offers herself 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 Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the resolution passed by members at the AGM held on 30th September, 2015, the appointment of M/s Mishra & Co Chartered Accountants, (Firm registration no. 012355S), as Statutory Auditor of the Company to hold office from the conclusion of the 21st AGM of the Company till the conclusion of the 26th AGM be and is hereby ratified and the Board of Directors be and is hereby authorized to fix remuneration payable to him for the financial year ended 31st March, 2017.”

Place: Bangalore
Date: 3rd September, 2016

By order of the board
Manjeet Kumar
COMPANY SECRETARY

IMPORTANT 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 SEBI (Listing Obligation And Disclosure Requirement) Regulations, 2015 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 24th September, 2016 to 30th September, 2016 (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.in and on the website of the CDSL: www.cdslindia.com
- 16.** Business to be transacted at the meeting may be transacted through electronic voting
- 17.** System and company is providing facility for voting by electronic means.
- 18.** Mr. Swamy, Company Secretary in practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- 19.** 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.
- 20.** 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 and on the website of the CDSL:

www.cdsindia.com within two days of passing of the resolution at the 22nd Annual General Meeting of the Company

21. The results will also be communicated to stock exchange where the shares of the company are listed.

VOTING THROUGH ELECTRONIC MEANS:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 26th September, 2016 at 9.00 A.M and ends on 28th September, at 5:00 P.M 2016. 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 24th September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

	<ul style="list-style-type: none"> 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. 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.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both 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).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the Hittco Tools Limited on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to 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.

- (xxi) 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE TO THE NOTICE

Information required to be furnished as per the Companies Act and SEBI (LODR) Regulation:

As required under Companies Act and SEBI (LODR) Regulation, 2015, the particulars of Directors who are proposed to be appointed/ re-appointed are given below:

Name of Director	Mr. Rajib Ghosh Roy
DIN	03050182
Date of Birth	01.08.1970
Date of Appointment	01.07.2010
Qualification	B. Sc. Graduate
Expertise in specific functional areas	He possess good business sense and administrative capabilities.
List of other Companies in which Directorship held (excluding in Foreign companies)	NIL
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.	NIL

Place: Bangalore
Date: 3rd September, 2016

Manjeet kumar
COMPANY SECRETARY

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HITTCO TOOLS LIMITED

DIRECTORS' REPORT

To
The Members,

Your Directors take pleasure in presenting the 22nd Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS:

	(Rs. In Lakhs)	
	2015-16	2014-15
Particulars		
INCOME:		
Sales	724.41	740.83
Other Income	17.56	19.13
Total (A)	741.97	759.96
EXPENSES:		
Cost of Material Consumed	251.81	296.58
Purchase of Stock-in-trade		
Changes in inventories of finished goods, work in progress and stock-in-trade	44.24	(33.37)
Employee benefit expenses	209.85	224.58
Other expenses	185.01	226.69
Interest and Financial Charges	32.04	39.32
Exceptional items	0	0
Total (B)		
Profit before Depreciation and Tax (C) = (A) - (B)	18.46	6.16
Depreciation and amortisation expenses	140.51	53.71
Tax	(9.52)	5.15
Profit / (Loss) after Depreciation and Tax	(112.53)	(52.70)
Earnings Per Share(Basic)	(1.78)	(0.83)
Earnings Per Share(Diluted)	(1.78)	(0.83)

OPERATIONS AND BUSINESS PERFORMANCE:

The Company has almost maintained a turnover of Rs.724.41 lakhs during the year 2015-16 as against Rs.740.83 lakhs during the previous year 2014-15. The Export Sales for the year 2015-16 was Rs. 10.26 lakhs compared to Rs. 34.70 lakhs during the previous year and contributed 1.41 % of the total sales. The Company's net loss after tax for the year 2015-16 was Rs.112.53 lakhs as against loss of Rs. 52.70 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 2015-2016.

DIRECTORS:

At the ensuing Annual General Meeting, Mr. Rajib Ghosh Roy, 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 March 31, 2016, 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 them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2016 and the profit of the company for the year ended on that date.
- c) The directors 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 directors 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, 2016 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.

PARTICULAR OF EMPLOYEES AND RELATED DISCLOSURE

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

AUDITORS AND AUDITORS REPORT:

Statutory Auditors

At the Annual General Meeting held on 30th September, 2015, M/s Mishra & Co., Chartered Accountants, were appointed as Statutory Auditor of the Company to hold office for the terms of 5 years subject to ratification by the members in Annual General Meeting. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditor shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s Mishra & Co., Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

Auditor's report

The note on accounts referred to in the auditor's report are self-explanatory and there are adverse remarks or qualification in the report.

Director View on Auditor Adverse remark:

- Sundry Creditors, other liabilities and Sundry Debtors all the material balance has been confirmed during audit. Hence this audit qualification uncalled for in the view of the management.
- The company has maintained proper book of account including stock register inventory same has been provide to statutory auditor during the audit. Hence the view of audit qualification is unnecessary.

Secretarial auditor

M/s Swamy & Associates, Company Secretaries, have been appointed as Secretarial Auditors of the Company for the year 2015-16. The secretarial Audit report for the financial year ended March 31, 2016 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 SEBI (LORD) Regulation, 2015 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 SEBI (LORD) Regulation, 2015 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 SEBI (LORD) Regulation, 2015 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 infructure 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. Rajib Ghosh Roy, Director of the company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

During the year, Mr. Chittaranjan Jena (Company Secretary) given the resignation and Mr. Manjeet Kumar was appointed as Company Secretary.

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 the entire independent director of the company confirming that they meet the criteria of the independence as prescribed both under the Act and SEBI (LORD) Regulations, 2015 with the stock exchanges.

MEETING OF THE BOARD

Seven 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

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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. 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

SIDHARTH BHANDARI
DIRECTOR

Place: Bangalore

Date: 3rd September, 2016

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.

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

a) Energy conservation measures taken:-

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

b) Impact on cost of production of goods:-

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

c) Additional Investment

During the year company replaced 20watts LED tube light in place of 40 watt tubes.

B. Technology Absorption

i. **The efforts made towards technology absorption:-**

- Technical guest lecturers in various subjects and specialisations and skill building exercise.
- In depth IPR analysis and review.
- Theoretical simulation.

ii. **The benefit derived like product improvement, cost reduction, product development or import substitution:**

- New model machine with innovative feature, improvement in performance of machines and enhancement of the knowledge base.

iii. **Details of the imported Technology :-**

During the last three year company is not purchased any imported machine.

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C. Foreign Exchange Earnings and Outgoing

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

	<u>2015-16</u>	<u>2014-15</u>
Total Foreign Exchange – Used (Rs.) :	1, 02, 20,511	60, 30,477
Earned (Rs.):	10, 26,214	34, 70,189

For and on behalf of the Board of Directors

SURENDRA BHANDARI
CHAIRMAN AND MANAGING DIRECTOR

SIDHARTH BHANDARI
DIRECTOR

Place: Bangalore

Date: 3rd September, 2016

Annexure - B

MANGEMENT DISCUSSION & ANALYSIS REPORT

A. INDUSTRY STRUCTURE & DEVELOPMENTS

The Indian machine tools industry consists of about 750 manufacturing units out of which approximately 400 units are under the organized category. Further, ten major Indian companies constitute almost 70 per cent of the total production. While the large organized player cater to India heavy and medium industries, the small scales sector meets the demand of ancillary and other unites. The machine tools industry can be broadly classified into metal-cutting and metal cutting –forming tools, based on the type of operation. Metal cutting accounts 81 per cent of the total output of machine tools in India. Key metal cutting tools include turning centers, machining centers and grinding centers which account for nearly two –thirds of the total metal cutting production.

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

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

B. OPPORTUNITIES:

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

C. THREATS:

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

D. STRENGTH

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

E. SEGMENT-WISE PERFORMANCE

Your Company made after tax loss Rs. 112.53 lakhs on a turnover of Rs. 740.41 lakhs and other income of Rs. 17.56 lakhs.

	Drill Bits & Taps (in Lakhs)
Net Sales & Operating Revenue	Rs. 724.41
PBIT	18.46
Capital Employed	754.40

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 ADEQUACY

Your Company has well established internal control systems commensurate with the size of the Company. Company has entrusted the jobs of internal audit to well experienced employees of the Company. The internal audit reports are discussed by an independent committee constituted by the

Board. Action is being taken to further strengthen internal control procedures in respect of inventory and management.

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 CUM MANAGING DIRECTOR

SIDHARTH BHANDARI
DIRECTOR

Place: Bangalore

Date: 3rd September, 2016

Annexure -C

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-

- Who, in the opinion of the board, is a person of integrity and possesses relevant expertise and experience;

- 1. 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

Employees shall be assigned grades according to their qualification and work experience, competencies as well 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.

CORPORATE GOVERNANCE REPORT

In accordance with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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 2015-16 Seven Board Meetings were held on 04.05.2015, 22.05.2015, 30.06.2015, 13.08.2015, 03.09.2015, 06.11.2015, 13.02.2016, and the maximum gap between any two meetings was not more than Four Months.

Quarter		Dates
April – June	1	04 th May, 2015
	2	22 th May, 2015
	3	30 th June, 2015
July – September	4	13 th August, 2015
	5	3 rd September, 2015
October – December	6	06 th November, 2015
January – March	7	13 th February, 2016

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c) Directors' Attendance Record and Directorship held

As mandated by SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, 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		Memberships	Chairman ships
			Held	Attended	Attended			
1. Surendra Bhandari	10,00,684	Chairman Cum Managing Director	7	7	Yes	8	2	-
2. Madhu Bhandari	70,077	Director	7	2	No	6	1	-
3. Sidharth Bhandari	92,699	Director	7	2	No	9	-	-
4. Rajib Ghosh Roy	0	Whole time Director	7	7	Yes	-	-	-
5. Joseph Mathai	100	Independent Director	7	7	Yes	-	3	1
6. Rajeev Hassanand G.	0	Independent Director	7	2	No	1	-	-
7. S.R. Satish	0	Independent Director	7	7	Yes	-	3	1
8. N.K. Raghunath	1,000	Independent Director	7	2	No	-	-	-
9. Vikram S Gupta	1,000	Independent Director	7	2	No	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	-	-
3. Madhu Bhandari	Director	-	-
4. Rajib Ghosh Roy	Whole time Director	Rs.8,63,814	Rs. 21,600
5. Joseph Mathai	Independent Director	-	-
6. Rajeev G. Hassanand	Independent Director	-	-
7. S.R. Satish	Independent Director	-	-
8. N.K. Raghunatha	Independent Director	-	-
9. 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, Nomination and Remuneration Committee and Stakeholders’ Grievance Committee. All decisions pertaining to the constitution of Committees, appointment of Committee Members and fixing of their terms of service are taken by the Board of Directors.

A) Audit Committee

The composition of Audit Committee as on 31.03.2016 is as follows:

Mr. Joseph Mathai	-	Chairman
Mr. Surendra Bhandari	-	Member
Mr. S R Satish	-	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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and also complies with the Act.

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

Terms of Reference

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

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

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

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

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

The Audit Committee held four meetings during 2015-16 on 21st May, 2015, 12th August, 2015, 5th November, 2015 and 12th February, 2016.

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

B) Nomination and Remuneration Committee

The Remuneration Committee comprises of three Directors, viz. Mr. S R Satish, Mr. Joseph Mathai and Mrs. Madhu Bhandari. 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 2015-16 on 21st May, 2015, 12th August, 2015, 5th November, 2015 and 12th January, 2016.

Terms of Reference

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

- 1) To decide on the remuneration policy of the company on specific remuneration packages for executive directors including pension rights and any compensation payment.
 - 2) 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.

C) Share Transfer Committee

The Share Transfer Committee comprises of three Directors, viz. Mr. Surendra Bhandari, Mr. Sidharth Bhandari and Mr. S R Satish. Mr. Surendra Bhandari is the Chairman of the Share Transfer Committee. The Company Secretary is the Secretary of the Committee.

D) Shareholders Grievances Committee :

The Shareholders Grievances Committee comprises of three Directors, viz. Mr. Surendra Bhandari, Mr. S R Satish and Mr. Joseph Mathai. Mr. S R Satish is the Chairman of the Shareholders Grievance Committee. The Company Secretary is the Secretary of the Committee. The Shareholders Grievance Committee held four meetings during 2015-16 on 21st May, 2015, 12th August, 2015, 5th November, 2015 and 12th February, 2016.

Compliance officer

The Board has designated Mr. Manjeet kumar, 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 Grievance Committee were held on 21st May, 2015, 12th August, 2015, 5th November, 2015 and 12th February, 2016.

Name of members of Shareholders Grievance Committee	No. of meetings attended
Mr. Surendra Bhandari	4
Mr. SR Satish	4
Mr. Joseph Mathai	4

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

	Received	Resolved	Balance
Complaints	NIL	NIL	NIL

There is no complaint pending for satisfaction of shareholders/investors

INDEPENDENT DIRECTOR MEETING:

During the year under review the independent director met on March 25, 2016 interalia:

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

GENERAL BODY MEETINGS

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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			
2012-13	05-11-2012	11.00 A.M.	Registered Office
Annual General Meeting			
2012-13	30-09-2013	11.00 A.M.	"SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore-560 001.
2013-14	30-09-2014	11.00A.M	"SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore-560 001.
2014-15	30-09-2015	11.00 A.M	"SHANTALA" Conference Hall, Ashraya International Hotel, #

			149, Infantry Road, Bangalore-560 001.
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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 not potential conflict with the interests of the company at large.
 - None of the transactions with any of the related parties were in conflict with the interest of the Company.
- b. Details of non-compliance by the company, penalties and strictures imposed on the company by Stock Exchange or SEBI, or any other statutory authority, on any matter related to capital markets, during the last three years.
 - The Company has duly complied with requirements of regulatory authorities on capital markets and no penalty/stricture was imposed on the Company during the last three years.
- c. Whistle Blower Policy - The Company promotes ethical behavior in all its business activities and has put in place mechanism of reporting illegal or unethical behavior. Employees are free to report violations of laws, rules, regulation or unethical conduct to their immediate supervisor/notified person. No person has been denied access to the audit committee. The Directors and Senior Management are obligated to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practices.
- d. The company has complied with all the mandatory requirements of SEBI (Listing Obligation and Disclosure Requirements) Regulations and is in the process of implementation of Non-mandatory requirements.
- e. A certificate duly signed by the CFO and Whole time Director relating to financial statements and internal controls and internal control systems for financial reporting as per the format provided in SEBI (Listing Obligation and Disclosure Requirements) Regulations was placed before the Board, who took the same on record.
- f. Profile and other information regarding the Directors being appointed/re-appointed as required under SEBI (Listing Obligation and Disclosure Requirements) Regulations have been given in the Notice of the Annual General Meeting annexed to this Annual Report.
- g. The Company follows a formal management policy and system of legal compliance and reporting to facilitate periodical review by the Board of compliance status of laws applicable to the company and steps taken to rectify non-compliance, if any.

- h. Declarations by the CEO/CFO under SEBI (Listing Obligation and Disclosure Requirements) Regulations. 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 SEBI (Listing Obligation and Disclosure Requirements) Regulations. Mr. Rajib Ghosh Roy, CFO of the Company has furnished the requisite certificate regarding affirming compliance with the Code of Conduct, for the financial year ended March 31, 2016, 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. Rajib Ghosh Roy 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 SEBI (Listing Obligation and Disclosure Requirements) Regulations 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 Friday, the 30th September, 2016 at 11.00 A.M at "SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore – 560 001.

Financial Calendar (tentative and subject to change):

Events	Tentative Date
Annual General Meeting for the year ending March 31, 2016	By 30 th September, 2016
Unaudited Financial results for the first quarter ending 30 th June, 2016	By 15 th August, 2016
Unaudited Financial results for the second quarter ending 30 th September, 2016	By 15 th November, 2016
Unaudited Financial results for the third	By 15 th February, 2016

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quarter ending 31 st December, 2016	
Audited Financial results for the year ending 31 st March, 2017	By 30 th May, 2017

Book Closure Dates

Saturday, the 24th September, 2016 to Friday, the 30th September, 2016 (both days inclusive) for requirements of Regulation 42 of SEBI (LORD) Regulation, 2015 for the financial year 2015-16.

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,

Stock Code

Stock Exchange	Code
Bombay Stock Exchange Limited	531661

Market Price Data

Monthly Share Price movement during 2015-16 on Bombay Stock Exchange:

No	Date	Highest (Rs.)	Lowest (Rs.)
1.	April, 2015	6.27	5.43
2.	May, 2015	5.41	4.01
3.	June, 2015	5.95	4.70
4.	July, 2015	5.01	4.94
5.	Aug, 2015	5.39	3.61
6.	Sep, 2015	4.40	3.79
7.	Oct, 2015	3.62	3.56
8.	Nov, 2015	3.89	3.42
9.	Dec, 2015	4.02	3.81
10	Jan, 2016	4.81	4.13
11.	Feb, 2016	4.06	3.23
12.	Mar, 2016	3.71	3.11

Registrar and Transfer Agents:

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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	1069	70.14	197167	3.20
05001 – 10000	198	12.99	175546	2.85
10001 - 20000	82	5.38	133558	2.17
20001 - 30000	46	3.02	122452	1.99
30001 - 40000	29	1.90	106034	1.72
40001 - 50000	21	1.38	98308	1.60
50001– 100000	33	2.17	259477	4.21
100001 & above	46	3.02	5067305	82.26
Total	1524	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	48	3.55	944425	15.33
Resident	1467	95.85	2242854	36.41
Total	1524	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

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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.

Unit-II

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

Address for Correspondence

The Company's Registered Office is situated at:

#19, Ali Asker Road,
Bangalore - 560 052.
Tel: 080-40865000
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
3rd September, 2016

To
The Member's of Hittco Tools Ltd

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

In accordance with regulation 34(3)(d) of the SEBI (LORD) regulation, 2015 with the stock exchanges, I, Surendra Bhandari, 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, 2016.

Place: Bangalore
Date: 03.09.2016

Surendra Bhandari
Managing Director

CEO/CFO CERTIFICATION

Date: 3 September, 2016

To

The Board of Director

Hittco Tools Limited

Bangalore

I, Rajib Ghosh Roy, Chief Financial Officer of the company hereby certified to the Board that:

A) I have reviewed financial statement and cash flow statement for the year ended 31 March, 2016 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading:
- These statements together present a true and fair view of the company's affairs and are in compliance with 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) I 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) I have indicated to the Auditors and the Audit committee:

- Significant change in internal control over financial reporting during the year:
- Significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements: and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the company's internal control system over financial reporting.

For Hittco Tools limited
Rajib Ghosh Roy
(Chief Financial Officer)

Annexure – E

**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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
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III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	NO		

Category-wise Share Holding

[illegible]

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[illegible]

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2. Non-Institutions									
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									
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)	1999849	1187430	3187279	54.39	2000499	1186780	3187279	51.74	2.65

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C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	4371833	1488014	5859847	100	4973067	1186780	6159847	100	19.68

B) Shareholding of Promoter-

SN	Shareholder's Name	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 / encumb ered to total shares	
1	Surendra Bhandari	1000684	11.96	0	1000684	16.25	0	4.29
2	Sidharth Bhandari	92699	1.58	0	92699	1.50	0	0.08
3	Madhu Bhandari	70077	1.20	0	70077	1.14	0	0.06
4	Manesha Bhandari	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	

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								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)

SN	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	1000684	16.25		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	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):**

SN	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		

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3.	Foresight financial service limited	96,200	1.56		
4.	M/S Fortune Loyal (Hongkong) limited	6,00,000	9.74		
5.	Dipak Kanayalal Shah	2,10,000	3.41		
6.	Moizbhai Hakimuddin Boriawala	2,61,862	4.25		
7.	Mehjabeen Moiz Boriawala	80,670	1.31		

E) Shareholding of Directors and Key Managerial Personnel:

SN	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.	Surendra Bhandari (Managing Director)				
	At the beginning of the year	1000684	16.25		
	Change during the year				
	At the end of the year	1000684	16.25	1000684	16.25
2.	Rajib Ghosh 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.	Chittaranjan jena (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

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
--	---------------	-----------------	----------	--------------------

	excluding deposits			
Indebtedness at the beginning of the financial year(01.04.2015)				
i) Principal Amount	1,54,51,272	1,57,57,101	0	3,12,08,373
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	27,24,228		0	27,24,228
Total (i+ii+iii)	1,81,75,500	1,57,57,101	0	3,39,32,601
Change in Indebtedness during the financial year				
* Addition	0	0	0	0
* Reduction	17,37,069	31,66,440	0	49,03,509
Net Change	17,37,069	31,66,440	0	49,03,509
Indebtedness at the end of the financial year(31.03.216)				
i) Principal Amount	1,37,14,203	1,25,90,661	0	2,63,04,864
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	27,24,228	0	0	27,24,228
Total (i+ii+iii)	1,64,38,431	1,25,90,661	0	2,90,29,092

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		MD	WTD	
1	Gross salary	0	8,63,814	8,63,814
	(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	0	0	0

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	under section 17(3) Income- tax Act, 1961			
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)	0	8,63,814	8,63,814
	Ceiling as per the Act			

B. Remuneration to other directors

SN.	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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total

1	Gross salary	NA	2,55,026	NA	2,55,026
	(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	2,55,026	0	2,55,026

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR 2015-16
(UPTO 31st MARCH 2016)**

[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, 2016, 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, 2016 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 : 24/08/2016

P PERIASWAMY
COMPANY SECRETARY
C. P. : 7319

AUDITORS REPORT ON CORPORATE GOVERNANCE

To

The Members of Hittco Tools Limited

We have examined the compliance of condition of corporate governance by Hittco tools Limited for the year ended 31ST march 2016 as stipulated in Regulation 34(3)(E) SEBI (LORD) Regulation,2015 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 Mishra & Co.

Chartered Accountants

(ICAI Firm Reg. No. 012355S)

Place: Bangalore

Date: 22.05.2016

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 ("the Company")**, which comprise the Balance Sheet as at March 31, 2016, 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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 there under. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 financial 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 on the Financial Statements.

Basis for Qualified Opinion

- 1. Trade receivables, 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 and loans and advances 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 adhoc percentage 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 of inventory” from the records maintained by the company. Consequently, we were unable to determine the impact of deviation on the financial statements for the year ended 31st March 2016.**

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 2016;
- 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

iv.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - i) We have sought and except for the matters described in the "Basis for Qualified opinion" paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii) Except for the possible effects of the 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;
 - iii) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv) Except for the possible effects of the matter described in the "Basis for Qualified opinion" paragraph, in our opinion, the aforesaid 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, 2014;
 - v) 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.
 - vi) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act;
 - vii) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the "Basis for qualified opinion" paragraph above.
 - viii) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. the Company does not have any pending litigations which would impact its financial position
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company

**For Mishra & Co.,
Chartered Accountants**

**Place: Bengaluru
Date: 30/05/2016**

**CA Nilamadhab Mishra
Proprietor
M.No.223157, FRN:012355S**

HITTCO TOOLS LIMITED
Balance Sheet as at 31st March 2016

(Amount in Rs/-)

Particulars	Note No.	31.03.2016 Rs.	31.03.2015 Rs.
I.EQUITY AND LIABILITIES			
1.Shareholders' Funds			
(a) Share Capital	1	6,32,06,970	6,32,06,970
(b) Reserves and Surplus	2	(2,40,25,203)	(1,27,96,962)
(c) Money received against Share Warrants			
2.Non-current liabilities			
(a) Long-term borrowings	3	2,63,04,864	3,12,08,373
(b) Deferred tax liabilities (Net)	4	26,61,000	36,13,000
(c) Other Long term liabilities	5	26,95,309	-
(d) Long-term provisions	6	45,97,059	51,41,292
3.Current liabilities			
(a) Short-term borrowings	7	1,34,37,050	1,36,27,867
(b) Trade payables	8	76,41,440	90,77,877
(c) Other current liabilities	9	1,31,86,258	1,18,32,700
(d) Short-term provisions	10	3,59,080	-
TOTAL		11,00,63,827	12,49,11,118
II.ASSETS			
1.Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	11	5,17,70,949	6,29,11,858
(ii) Intangible assets			
(iii) Capital work-in-progress			
(c) Long-term loans and advances	12	35,24,371	40,30,790
(d) Other non-current assets	13	19,99,902	44,05,724
2.Current Assets			
(a) Inventories	14	2,01,90,309	2,46,15,155
(b) Trade receivables	15	2,24,49,380	2,55,93,332
(c) Cash and Cash Equivalents	16	58,30,266	2,19,334
(d) Short-term loans and advances	17	42,98,650	29,90,372
(e) Other current assets	18	-	1,44,553
TOTAL		11,00,63,827	12,49,11,118
Significant Accounting Policies and Notes to Accounts	26		

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

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

Surendra Bhandari
Managing Director

Sidharth Bhandari
Director

Manjeet Kumar
Company Secretary
Place: Bangalore
Date: 30/05/2016

Rajib Ghosh Roy
CFO

**As per our report of even date
For Mishra & Co.,
Chartered Accountants
Firms' Registration No.012355S**

CA Nilamadhab Mishra
Proprietor
Membership No.223157

HITTCO TOOLS LIMITED
Statement of Profit and Loss for the year ended 31.03.2016

(Amount in Rs/-)

Particulars	Note No.	31.03.2016 Rs.	31.03.2015 Rs.
I.Revenue from operations(Gross)	19	7,24,10,489	7,40,83,128
II.Other Income	20	17,56,311	19,13,574
Total Revenue (I+II)		7,41,66,800	7,59,96,702
III.Expenses:			
Purchases of Stock in Trade	21	2,51,81,749	2,96,58,666
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	44,24,846	(33,37,547)
Employee benefits expense	23	2,09,85,129	2,24,57,837
Finance costs	24	32,03,535	39,32,750
Depreciation and amortisation expense	11	1,40,51,160	53,71,034
Other expenses	25	1,85,00,623	2,26,69,285
Total Expenses		8,63,47,042	8,07,52,024
Profit before exceptional and extraordinary items and tax		(1,21,80,243)	(47,55,322)
Exceptional items		-	-
Profit before extraordinary items and tax		(1,21,80,243)	(47,55,322)
Extraordinary Items		-	-
Profit before Tax		(1,21,80,243)	(47,55,322)
Tax expense:			
1.Current tax			-
2.Deferred tax		(9,52,000)	5,15,000
Profit (Loss) for the period from continuing operations		(1,12,28,243)	(52,70,322)
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax)		-	-
Profit (Loss) for the period		(1,12,28,243)	(52,70,322)
Earnings per share:			
(1) Basic (Facevalue of Rs.10 each)		(1.87)	(0.88)
(2) Diluted (Facevalue of Rs.10 each)		(1.87)	(0.88)
Significant Accounting Policies and Notes to Accounts	26		

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

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

**As per our report of even date
For Mishra & Co.,
Chartered Accountants
Firms' Registration No.0123555**

**Surendra Bhandari
Managing Director**

**Sidharth Bhandari
Director**

**Manjeet Kumar
Company Secretary
Place: Bangalore
Date: 30/05/2016**

**Rajib Ghosh Roy
CFO**

**CA Nilamadhab Mishra
Proprietor
Membership No.223157**

HITTCO TOOLS LIMITED
Cash Flow Statement for the year ended 31st March 2016

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
A. Cash Flow from Operating Activities		
Profit before Taxation and extraordinary items (before taxes)	(1,21,80,243)	(47,55,322)
Adjustments for Depreciation	1,40,51,160	53,71,034
(Profit)/Loss on sale of Tangible assets		-
Interest Expenditure	32,03,535	39,32,750
Interest Income	(2,54,625)	(2,76,407)
Investment Income	(15,01,686)	(16,26,183)
Other Non cash adjustments		-
Operating Profit before working capital changes	33,18,141	26,45,871
<u>Changes in Working Capital:</u>		
(Increase)/Decrease in Trade Receivables	31,43,952	19,753
(Increase)/Decrease in Inventories	44,24,846	(30,23,133)
(Increase)/Decrease in Loans and advances	(8,01,858)	34,68,390
(Increase)/Decrease in Other Current assets	25,50,378	6,74,631
(Increase)/Decrease in Other assets		-
(Increase)/Decrease in Trade Payables	(14,36,437)	(10,55,167)
Increase/(Decrease) in Current Liabilities	11,68,404	8,90,849
Cash generated from Operations	1,23,67,427	36,21,193
Taxes paid (Net of refunds)	-	7,431
Net cash generated from operations before extraordinary items	1,23,67,427	36,13,762
Net cash generated from operating activities	1,23,67,427	36,13,762
B. Cash Flow from Investing Activities		
Sale of Asset	8,38,960	-
Investment Income	15,01,686	16,26,183
Interest received	2,54,625	2,76,407
Purchase of Tangible/Intangible Assets	(37,49,212)	(67,89,299)
Net Cash from Investing Activities	(11,53,941)	(48,86,709)
C. Cash flow from Financing Activities		
Increase/(Repayment) of borrowings	(23,99,017)	35,19,629
Proceeds from share capital increase		30,00,000
Proceeds from issue of share warrants		(30,00,000)
Interest paid	(32,03,535)	(39,32,750)
Net cash raised in Financing activities	(56,02,552)	(4,13,121)
Net increase in cash and cash equivalents	56,10,933	(16,86,068)
Cash and Cash equivalents at the beginning of the year	2,19,333	19,05,401
Cash and Cash equivalents at the end of the year	58,30,266	2,19,333

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

Surendra Bhandari
Managing Director

Sidharth Bhandari
Director

Manjeet Kumar
Company Secretary
Place: Bangalore
Date: 30/05/2016

Rajib Ghosh Roy
CFO

As per our report of even date
For Mishra & Co.,
Chartered Accountants
Firms' Registration No.0123555

CA Nilamadhab Mishra
Proprietor
Membership No.223157

HITCO TOOLS LIMITED.,
NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

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

1 Share Capital

Particulars	As at 31st March 2016		As at 31st March 2015	
	No.Of Shares	Amount (Rs/-)	No.Of Shares	Amount (Rs/-)
Authorised Share Capital: 70,00,000 (March 31,2015 : 70,00,000) Equity Shares of Rs.10/- each	70,00,000	7,00,00,000	70,00,000	7,00,00,000
Issued Share Capital 61,59,847 (March 31,2015 : 61,59,847) Equity Shares of Rs.10/- each	61,59,847	6,15,98,470	61,59,847	6,15,98,470
Subscribed and fully Paid up: 59,12,247 (March 31, 2015 : 56,12,247) Equity Shares of Rs. 10/- fully paid up	59,12,247	5,91,22,470	59,12,247	5,91,22,470
Subscribed and partly Paid up: 247,600 (March 31, 2015 : 247,600) Equity Shares of Rs.5/- Partly paid up	2,47,600	12,38,000	2,47,600	12,38,000
Forfeited Shares: 569,300 (March 31, 2015 : 569,300) Equity Shares of Rs. 5/- not reissued	5,69,300	28,46,500	5,69,300	28,46,500
Total		6,32,06,970		6,32,06,970

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:

Particulars	As at 31st March 2016		As at 31st March 2015	
	No.Of Shares	Amount (Rs/-)	No.Of Shares	Amount (Rs/-)
Balance as at the beginning of the previous year				
Fully paid up (Rs. 10/- each)	59,12,247	5,91,22,470	56,12,247	5,61,22,470
Partly paid up (Rs. 5/- each)	2,47,600	12,38,000	2,47,600	12,38,000
Add: Shares issued during the year in the ratio of 1:1 pursuant to Conversion of Share warrants into Equity Shares Fully paid up (Rs. 10/- each)**	-	-	3,00,000	30,05,840
Balance as at the end of the year	61,59,847	6,03,60,470	61,59,847	6,03,66,310

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

Particulars	As at 31.3.2016		As at 31.3.2015	
	No. of shares	Percentage	No. of shares	Percentage
Fortune Loyal Hongong Ltd	6,00,000	9.74%	6,00,000	9.74%
Surendra Bhandari	1,00,684	1.63%	10,00,684	16.25%
Hitech Prints (India) Pvt Ltd	2,93,600	4.77%	2,93,600	4.77%
Hittco Properties LLP	3,52,044	5.72%	3,52,044	5.72%
B I Holdings Bangalore LLP	9,17,064	14.89%	9,17,064	14.89%

2 Reserves and Surplus

Particulars	As at 31.3.2016	As at 31.3.2015
(a) Capital Reserve		
Opening balance	30,00,000	30,00,000
Add: Addition during the year	-	-
Balance as at the end of the year	30,00,000	30,00,000
(b) Securities Premium account		
Opening balance	1,32,00,000	1,32,00,000
Add: Receipt on issue of securities	-	-
Balance as at the end of the year	1,32,00,000	1,32,00,000
(b) General Reserve		
Opening balance	-	-
Add : transfer	-	-
Balance as at the end of the year	-	-
(d) Surplus in Statement of Profit and Loss		
Opening balance	(2,89,96,961)	(1,40,87,119)
Add: Profit/(Loss) for the year	(1,12,28,243)	(52,70,322)
Amount available for appropriation	(4,02,25,203)	(1,93,57,441)
Less : *Adjusted for Depreciation(a) & deferred Tax	-	96,39,521
Transfer to General Reserve	-	-
Balance as at the end of the year	(4,02,25,203)	(2,89,96,962)
Total	(2,40,25,203)	(1,27,96,962)

3 Long term Borrowings

Particulars	As at 31.3.2016	As at 31.3.2015
Secured:		
Term Loans from Banks	1,37,14,203	1,54,51,272
(Out of which ₹ 1,37,14,203/- (P/Y ₹ 1,54,51,272/-) is secured and un-secured ` Nil (P/y unsecured is Nil)		
Unsecured		
Loans from related parties:		
-Directors	7,12,480	11,94,640
- Associated enterprises	1,18,78,181	1,45,62,461
Total	2,63,04,864	3,12,08,373

Note 4A Terms of Repayment of Long Term Borrowings & Nature of Security

a) Term Loans from Banks

Kotak Term loan - 108*

Kotak mahindra prime honda amaze

Kotak Mahindra Car Loan-Audi

Kotak Mahindra Car Loan Skoda

b) Term loan from related parties

RepaymentTerms

Equated Monthly Installment of Rs. 227019 /- each

Equated Monthly Installment of Rs. 14425/- each

Equated Monthly Installment of Rs. 73500/- each

Equated Monthly Installment of Rs. 169182/- each

No specific repayment terms agreed

Security

Hypothecation of Current & Fixed assests

Hypothecation of Vehicle

Hypothecation of Vehicle

Hypothecation of Vehicle

Un secured

Nature of Security:*

All the banking facilities sanctioned by the Bank are primarily secured by extension of charge over all existing and future current assets/ moveable fixed assets of the company 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 Fixed Deposit in kotak bank ltd
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 and by extension of corporate guarantee by a few group companies.

4 Deferred Tax

Particulars	As at 31.3.2016	As at 31.3.2015
Deferred Tax Liabilities		
Attributable to Depreciation	30,84,000	53,09,000
Deferred Tax assets		
Attributable to:		
Expenses allowable for tax purposes when paid	4,23,000	16,96,000
Total	26,61,000	36,13,000

5 Other Long term liabilities

Particulars	As at 31.3.2016	As at 31.3.2015
Others	26,95,309	
Total	26,95,309	-

6 Long term provisions

Particulars	As at 31.3.2016	As at 31.3.2015
Provision for Employee Benefits (Gratuity(Unfunded))	45,97,059	51,41,292
Total	45,97,059	51,41,292

7 Short term Borrowings

Particulars	As at 31.3.2016	As at 31.3.2015
Secured:		
<u>Loans Repayable on demand from banks :</u>		
Kotak Mahindra Bank Ltd - Cash Credit Account	1,34,37,050	1,36,27,867
Total	1,34,37,050	1,36,27,867

8 Trade Payables

Particulars	As at 31.3.2016	As at 31.3.2015
Due to Micro, small and Medium Enterprises*	-	1,23,533
Others	76,41,440	89,54,344
Total	76,41,440	90,77,877

*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

9 Other Current liabilities

Particulars	As at 31.3.2016	As at 31.3.2015
(i) Current maturities of long- term debt*	41,03,480	49,72,816
(ii) Other Payables		
Payable to employees	32,32,020	13,99,722
Statutory dues (Including Provident Fund, Withholding and other taxes payable)	28,23,725	27,17,290
Advances received form Customers	1,17,716	26,10,609
Others	29,09,317	1,32,264
Total	1,31,86,258	1,18,32,701

* Refer Note No.3.4A for Terms of repayments and nature of security

10 Short term Provisions

Particulars	As at 31.3.2016	As at 31.3.2015
Provision for Employee benefits		
(i) Other Provisions	3,59,080	-
Total	3,59,080	-

12 Long term loans and advances

Particulars	As at 31.3.2016	As at 31.3.2015
Unsecured, Considered good		
Capital Advances	35,914	1,86,214
Security Deposits	34,88,457	38,44,576
Total	35,24,371	40,30,790

13 Other Non Current assets

Particulars	As at 31.3.2016	As at 31.3.2015
Fixed deposits with banks with maturity period more than 12 months (all Fixed deposits are lien marked as the security towards the Term Loan and others facilities availed from kotak bank ltd)	-	24,05,822
Other advances- Due from related party	19,99,902	19,99,902
Total	19,99,902	44,05,724

14 Inventories

Particulars	As at 31.3.2016	As at 31.3.2015
(a) Raw materials	9,62,726	12,22,577
(b) Work-in-progress	17,27,898	36,03,051
(c) Finished goods	1,02,34,068	1,74,36,982
(d) Stock-in-trade	54,93,194	6,20,337
(e) Consumables Stores and Spares	17,72,423	17,32,208
Total	2,01,90,309	2,46,15,155

15 Trade Receivables

Particulars	As at 31.3.2016	As at 31.3.2015
<u>Unsecured, considered good</u>		
Outstanding for a period exceeding six months from the date they are due for payment	90,24,651	66,49,400
Others	1,34,24,729	1,89,43,932
Total	2,24,49,380	2,55,93,332

16 Cash and Cash Equivalents

Particulars	As at 31.3.2016	As at 31.3.2015
<u>Cash and Cash equivalents:</u>		
Cash on hand	6,487	49,543
<u>Balances with Banks</u>		
In current Account	6,40,855	1,69,791
Fixed deposits with maturity more than 3 months but less than 12 months		
Fixed deposits with maturity more than 12 months	51,82,924	-
Total	58,30,266	2,19,334

17 Short term Loans and advances

Particulars	As at 31.3.2016	As at 31.3.2015
(Unsecured, considered good)		
Balances with revenue authorities	11,21,061	6,89,002
Advance paid for suppliers	31,77,588	9,21,929
Staff advances & Others	-	13,79,441
Total	42,98,650	29,90,372

18 Other current assets

Particulars	As at 31.3.2016	As at 31.3.2015
(Unsecured, considered good)		
Other current assets	-	1,44,553
Total	-	1,44,553

19 Revenue from Operations

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
(a) Sale of Products		
Finished goods	8,08,51,512	8,14,90,651
Less: Excise Duty	84,41,023	74,11,463
	7,24,10,489	7,40,79,188
(b) Sale of Traded Goods	-	3,940
Total	7,24,10,489	7,40,83,128

20 Other Income

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
(a) Interest Income from Banks	2,54,625	2,76,407
(b) Miscellaneous income	15,01,686	16,37,167
Total	17,56,311	19,13,574

21 Purchase of Stock in Trade

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Raw Material	2,06,60,991	2,12,81,009
Consumables	38,71,075	81,68,930
Packing Material	6,49,684	2,08,727
Total	2,51,81,749	2,96,58,666

22 Changes in inventory of finished goods and work in Progress

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
(Increase)/Decrease in Stocks		
Stock at the end of the year:		
Raw Materials	9,62,726	
Finished Goods	1,02,34,068	1,74,36,982
Work-in-Progress	17,27,898	36,03,051
Consumables	17,72,423	
Stock in Trade	54,93,194	6,20,337
TOTAL A	2,01,90,309	2,16,60,370
Less: Stock at the beginning of the year		
Raw Materials	12,22,577	
Finished Goods	1,74,36,982	1,38,87,096
Work-in-Progress	36,03,051	38,15,390
Consumables	17,32,208	
Stock in Trade	6,20,337	6,20,337
TOTAL B	2,46,15,155	1,83,22,823
(Increase)/Decrease in Stocks (A-B)	44,24,846	(33,37,547)

23 Employee Benefit Expenses

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Salaries, Wages and Bonus	1,54,14,021	1,87,17,559
Contribution to Provident and other funds	12,25,473	15,83,948
Staff welfare expenses	10,04,713	13,09,522
Leave Encashment	16,42,414	-
Bonus	6,89,663	-
Gratuity	10,08,845	8,46,808
Total	2,09,85,129	2,24,57,837

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

24 Finance Costs

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Intrest Expenses on Long term borrowings	34,11,259	37,39,925
Foreighn Exchange Gain or Loss	(2,07,723)	1,92,825
Total	32,03,535	39,32,750

25 Other Expenses

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Power and Fuel	28,06,796	28,90,790
Heat Treatment Charges	12,11,916	14,59,562
Increase/(decrease) of Excise duty on Finished goods	3,03,533	4,24,876
Rent	3,64,062	14,28,984
Labour charges	2,37,208	2,11,690
Coating Charges	22,15,826	20,63,591
Repairs and Maintenance – Plant and Machinery	1,27,385	88,153
Repairs and Maintenance – Building	1,31,725	2,07,383
Repairs and Maintenance – Others	61,220	5,77,798
Insurance	1,64,462	4,05,964
Rates and Taxes	1,75,058	9,35,268
Travelling Expenses	20,54,422	26,80,600
Conveyance	4,51,934	6,00,132
Satutory Audit Fess	1,14,500	1,14,000
Vat audit fees	12,000	12,079
Internal audit fees	2,80,113	1,09,440
Cost Audit Fess		25,000
COURIER CHARGES	6,53,538	9,10,791
Exibition Expenses	3,02,176	11,53,764
Bank Charges	2,18,308	1,62,253
Exhibition -Foreign	84,944	2,09,558
Professional fees	5,44,245	3,02,616
PRINTING & STATIONERY	5,04,029	5,82,337
Advertisement and other selling expenses	88,314	1,13,740
Water charges	3,14,267	2,46,094
TELEPHONE EXPENSES	87,806	1,54,107
Custom Duty - Import	-	2,53,280
SECURITY CHARGES	5,85,015	7,32,300
Freight charges	2,75,372	4,80,743
Sales Promotion expenses	22,31,431	22,77,513
Miscellaneous expenses	18,99,019	8,54,879
Total	1,85,00,623	2,26,69,285

Notes Forming Integral Part of the Balance Sheet as at 31st March , 2016

Notes : 11 Fixed Asset

I. Fixed Assets

Sr. No	Particulars	Gross Block				Depreciaton					Net Block	
		Value as on 01.04.2015	Addition during the year	Deduction during the year	Value as on 31.03.2016	Value as on 01.04.2015	Addition/ Deduction during the year	Addition/Dedu ction For the year	Transfer to Reserves	Value as on 31.03.2016	WDV as on 31.03.2016	WDV as on 31.03.2015
I	Tangible Assets											
	Building	1,17,80,000	22,59,323	-	1,40,39,323	37,75,779		9,61,830	-	47,37,609	93,01,714	80,04,221
	Leasehold Propertie	5,28,661	-	-	5,28,661	1,75,530		69,663	-	2,45,193	2,83,468	3,53,131
	Furniture & Fittings	16,42,654	4,64,113	-	21,06,767	7,16,086		4,38,629	-	11,54,715	9,52,052	9,26,568
	Office Equipment	21,92,340	41,515	-	22,33,855	17,32,814		2,66,175	-	19,98,989	2,34,866	4,59,526
	Vehicles	1,12,58,053	3,13,690	8,38,960	1,07,32,783	44,97,850		23,42,809	-	68,40,659	38,92,124	67,60,203
	Plant & Machinery	11,09,93,629	1,31,671		11,11,25,300	6,49,14,190		94,44,993	-	7,43,59,183	3,67,66,117	4,60,79,439
	Computers	23,72,901	5,38,900	-	29,11,801	20,44,132		5,27,061	-	25,71,193	3,40,608	3,28,769
	Total	14,07,68,238	37,49,212	8,38,960	14,36,78,490	7,78,56,381		1,40,51,160		9,19,07,541	5,17,70,949	6,29,11,857
	(Previous Year)	12,64,50,869	1,20,64,885	-	13,85,15,754	5,64,72,340	-	53,71,034	1,37,60,522	7,56,03,896	6,29,11,858	6,99,78,529

HITCO TOOLS LIMITED
NOTES FORMING PART OF ACCOUNTS

26.2 (i) Contingent Liabilities and Commitments

Particulars	As at 31.3.2016	As at 31.3.2015
(to the extent not provided for)		
Bank Guarantees extended by bankers	-	-
On account of capital contracts remaining to be executed	-	-
Income Tax	-	-
Total	-	-

26.2 (ii) CIF value of Imports

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Raw Materials	1,30,85,383	1,07,83,806
Trading items	-	-
Capital Goods	-	-
Total	1,30,85,383	1,07,83,806

26.2 (iii) Expenditure Incurred in foreign currency

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Travelling expenses	19,41,129	24,94,288
Exhibition Expenses	2,20,359	2,09,558
Total	21,61,488	27,03,846

26.2 (iv) Details of Consumption and purchase

Particulars	Year ended 31st March 2016		Year ended 31st March 2015	
a) Details of Raw Materials Consumed				
H S S Steel	65,63,732		92,81,757	
Carbide	1,43,57,110		1,19,99,252	
Total	2,09,20,842		2,12,81,009	
b) Details of value of imported and indigenous material consumed				
	Imported	Indigenous	Imported	Indigenous
Raw Materials and Stores and Spares	1,30,85,383	1,65,21,212	1,49,78,604	1,44,71,336
Percentage	44.20%	55.80%	50.86%	49.14%
Total	1,30,85,383	1,65,21,212	1,49,78,604	1,44,71,336
c) Purchase of Traded goods				
	Imported	Indigenous	Imported	Indigenous
Traded goods	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

26.2 (v) Dividend Remitted in Foreign Exchange

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Dividend paid during the year	Nil	Nil
Number of Non Resident Shareholders	Nil	Nil
Number of equity shares held by such Non Resident Sha	Nil	Nil
Year to which the Dividend relate to	Nil	Nil

26.2 (vi) EARNINGS IN FOREIGN CURRENCY

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Revenue from exports on FOB basis	10,28,740	16,86,230

26.2 (vii) Earnings per Share

Particulars	Year ended 31st March 2016		Year ended 31st March 2015	
	Basic extra-ordinary items	After extra-ordinary items	Basic extra-ordinary items	After extra-ordinary items
(a) Basic				
Profit after tax	(1,12,28,243)	(1,12,28,243)	(52,70,322)	(52,70,322)
Weighted average number of shares outstanding	60,36,047	60,36,047	60,13,033	60,13,033
Basic EPS	(1.87)	(1.87)	(0.88)	(0.88)
(b) Diluted				
Profit after tax	(1,12,28,243)	(1,12,28,243)	(52,70,322)	(52,70,322)
Weighted average number of shares outstanding	60,36,047	60,36,047	60,13,033	60,13,033
Add: Weighted average number of potential equity shares	-	-	-	-
Weighted average number of shares outstanding for diluted EPS	60,36,047	60,36,047	60,13,033	60,13,033
Diluted EPS	(1.87)	(1.87)	(0.88)	(0.88)
Face value per share	Rs. 10 per share		Rs. 10 per share	

26.2 (viii) EMPLOYEE BENEFITS

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

Particulars	31.3.2016	31.3.2015
Present value of Defined benefit obligation		
Obligations at Period beginning	51,41,292	46,83,112
Service cost	2,58,854	6,05,468
Interest cost	4,01,021	3,59,104
Actuarial (Gain) / Loss	(1,75,534)	(1,17,764)
Benefits paid	(9,99,427)	(3,88,628)
Obligations at Period at the end of the year	46,26,206	51,41,292
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	-	-
Plan assets at period end at fair value	-	-
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	46,26,206	51,41,292
Asset / (Liability) recognised in the balance sheet	(45,97,059)	(51,41,292)
Assumptions		
Discount rate	7.60%	7.80%
Estimated salary escalation rate	5.00%	5.00%
Gratuity Expenses recognised in the Statement of Profit and Loss	10,08,845	8,46,808

26.2 (ix) SEGMENT REPORTING

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

26.2 (x) Managerial Remuneration

Particulars	Remuneration		Provident Fund	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Sidharth Bhandari	-	7,50,000	-	5,700
Rajib Gosh Roy - Executive director of Operation	8,63,814	7,95,600	21,600	16,020
Chittaranjan Jena	75,270	3,71,000	3,696	13,980
Manjeet Kumar	166772	0	9,288	-
Total	11,05,856	19,16,600	34,584	35,700

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.

26.2 (xi) Deivative instruments and unhedged foreign currency exposure

Particulars of unhedged foreign currency exposures as at the reporting date

Particulars	As at 31.3.2016	As at 31.3.2015
Trade Payables (in Euro)	Nil	Euro 53,435 Rs. 36,07,418/-
Trade Receivable (in USD)	Nil	USD 18050.91 Rs. 1130838/-

26.2 (xii) 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 Nil

Particulars	31.03.2016	31.03.2015
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at		1,23,533
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	Nil	Nil
Further interest remaining due and payable for earlier years.	Nil	Nil

26.2 (xiii) 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.

26.2 (xiv) Debtors and creditors are subject to confirmation.

26.2 (xv) Pursuant to Accounting Standard (AS 28) - Impairment of assets, the Company assessed its fixed assets for impairment as at 31st March 2016 and concluded that there has been no significant impaired fixed asset that needs to be recognised in the books of account.

26.2 (xvi) Auditors' Remuneration (Excluding Service tax)

Particulars	As at 31.3.2016	As at 31.3.2015
For Statutory Audit	75,000	75,000
For Tax Audit	25,000	25,000
For Company Law matters	-	-
For Other Services	-	-
For Reimbursement of expenses	-	-

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

Description of the nature of transaction	Description of Relationship	Related Party	Year ended 31st March 2016	Year ended 31st March 2015
Remuneration paid	Key Managerial Personnel	Sidharth Bhandari	-	7,55,700
	Key Managerial Personnel	Rajib Gosh Roy	8,85,414	8,11,620
	Company Secretary	Chittaranjan Jena	78,966	3,84,980
	Company Secretary	Manjeet Kumar	1,76,060	
Reimbursement of expenses	Key Managerial Personnel	Sidharth Bhandari		18,75,062
	Associate Company	HTC Properties Pvt. Ltd		1,73,909
Rent paid	Associate Company	HTC Properties Pvt. Ltd	-	3,37,080
Advances received	Associate Comp	Hittco Properties Pvt Ltd		2,500
	Associate Company	IEM International Pvt Ltd	-	27,52,065
	Associate Company	HTC Properties Pvt. Ltd.	-	17,94,049
	Associate Company	B. I. Realtors Pvt Ltd.	-	3,80,558
	Associate Enterprise	HTC Properties LLP	2,00,000	-
	Key Managerial Personnel	Surendra Bhandari	-	86,482
	Key Managerial Personnel	Siddharth Bhandari	10,56,040	1,800
Advances given	Associate Company	HTC Properties Pvt. Ltd.	-	13,23,233
	Associate Company	IEM International Pvt Ltd	41,332	-
	Associate Company	B I Holdings (Bangalore) Pvt Ltd	-	10,00,000
	Associate Company	Hitech Prints (India) Pvt Ltd	7,50,000	1,564
	Associate Company	Hittco Realtors Pvt Ltd		53,280
	Associate Company	B. I. Realtors Pvt Ltd.		2,56,333
	Associate Enterprise	Hittco Properties LLP	11,00,000	-
Payable at year end	Associate Company	Hittco (Thailand) Ltd	19,99,902	19,99,902
	Associate Company	Fotoset Trading Pvt Ltd	7,75,485	7,75,485
	Associate Company	Hitech Prints (India) Pvt Ltd	28,14,946	35,64,946
	Associate Company	Hittco Properties P Ltd	-	62,96,949
	Associate Company	HTC Properties P Ltd	-	4,70,816
	Associate Company	Specialized Micro Tools Private Ltd	-	9,84,390
	Associate Company	B. I. Realtors Pvt Ltd.	-	4,24,225
	Associate Company	IEM International Pvt Ltd	1,29,705	1,75,566

	Associate Company	B I Holdings (Bangalore) Pvt Ltd	-	18,50,000
	Associate Enterprise	B I Holdings (Bangalore) LLP	18,50,000	-
	Associate Enterprise	B. I. Realtors LLP	4,24,225	-
	Associate Enterprise	HTC Properties LLP	6,70,816	-
	Associate Enterprise	Hittco Properties LLP	51,96,949	-
	Key Managerial Personnel	SURENDRA BHANDARI	-	14,90,000
	Key Managerial Personnel	Siddharth Bhandari	7,12,480	-
Receivable at year end	Key Managerial Personnel	Siddharth Bhandari	-	3,43,560

List of related parties:

Key Management Personnel

Surendra Bhandari

Rajib Gosh Roy

Other Associates/Other related party

B I Holdings (Bangalore) LLP
B. I. Realtors LLP
HTC Properties LLP
Hittco Properties LLP
IEM International Pvt Ltd
Hindustan Tools Corporation
Fotoset Trading Pvt Ltd
Hitech Prints (India) Pvt Ltd
Hittco (Thailand) Ltd

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

Surendra Bhandari
Managing Director

Sidharth Bhandari
Director

Manjeet Kumar
Company Secretary
Place: Bangalore
Date: 30/05/2016

Rajib Ghosh Roy
CFO

As per our report of even date
For Mishra & Co.,
Chartered Accountants
Firms' Registration No.0123555

CA Nilamadhab Mishra
Proprietor
Membership No.223157

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, Ali asker Road, 2nd Floor, Bangalore - 560052

E- mail: companysecretary@hittco.in

Website: www.hittco.in

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 22nd Annual General Meeting of the company, to be held on the 30th September, 2016 at 11 A.M at

22ND
ANNUAL REPORT
2015-2016

HITTCO TOOLS LIMITED

“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	Optional	
		For	Against
1.	Adoption of Financial Statement for the year ended on 31 st March, 2016		
2.	Re-appointment of Mr. Rajib Ghosh Roy as a Director who retires by rotation and eligible for re-appointment.		
3.	Re-Appointment M/s. Mishra & Co. Chartered Accountants, Firm Regn. No. 012355S be and are hereby Re-appointed Statutory Auditors of the Company and fix their remuneration.		

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

Signature of shareholder _____

Signature of Proxy holder(s)_____

Please
Affix
Revenue
Stamp

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 22nd 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.

ATTENDANCE SLIP

Hittco Tools Limited

HTC Aspire, 19, Ali asker 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, Ali asker Road, 2nd Floor, Bangalore - 560052

E- mail: companysecretary@hittco.in

Website: www.hittco.in

22nd ANNUAL GENERAL MEETING

Date: 30th September, 2016: 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 22nd 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 22nd 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	26 th September,2016 (from 9.00 A.M)
End of E-voting	28 th September,2016 (up to 5.00 P.M)

Please refer notice for instruction on e-voting.