

HITCO TOOLS LTD.



AN ISO 9001-2015 COMPANY

Works : # 78, III Phase, Peenya Industrial Area, Bangalore-560 058. Karnataka. INDIA Tel: 91-80-2839 2265 ,
E-mail : sales@hittco.com Website : www.hittco.com CIN No. L28939KA1995PLC016888

HTL/SE/33/2018-19
6th October, 2018

To,
Manager – Listing,
Dept. Of Corporate Services,
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.
Ph-022-22721234

Dear Sir/Madam

Subject: - Annual Report for the Financial Year 2017-18 as per Regulation 34 of (LODR)
Regulation, 2015
Scrip Code: 531661

This is reference to regulation 34 (1) of (Listing Obligation and Disclosure requirements) Regulation, 2015, we are enclosing herewith Annual Report for the Financial Year 2017-18.

Kindly acknowledge the same.

Thanks

For Hittco Tools Limited

For HITCO TOOLS LTD.

Manjeet
COMPANY SECRETARY

Manjeet
Company Secretary

AN ISO 9001-2015 COMPANY



AN ISO 9001-2015 COMPANY

Hittco Tools Ltd.

**24TH Annual
Report 2017-
2018**

BOARD OF DIRECTORS	:	Mr. Surendra Bhandari-Chairman Cum Managing Director Mrs. Madhu Bhandari Mr. Sidharth Bhandari Mr. Yashvardhan Bhandari Mr. Rajib Ghosh Roy Mr. Rajeev G. Hassanand Mr. S.R. Satish Mr. N.K. Raghunath Mr. Vikram S Gupta Mr. B S Prakash
COMPANY SECRETARY	:	Mr. Manjeet
STATUTORY AUDITORS	:	M/s. Mishra & Co.
SECRETARIAL AUDITORS	:	M/s J.K. Rathi & Co., Company Secretaries, Delhi
REGISTRAR & TRANSFER AGENTS	:	M/s Cameo Corporate Services Ltd. Subramaniam Building, #1, Club House Road, Chennai-600 002. Ph: 044-28460390
PLANT	:	HSS & Carbide Unit #78, III Phase, Peenya Industrial Area, Bangalore-560 058.
REGISTERED & CORPORATE OFFICE:		HTC Aspire, #19, Ali Asker Road, Bangalore - 560 052.
BANKERS	:	Kotak Mahindra Bank Ltd., IndusInd Bank Ltd., State Bank of India & HDFC Bank Ltd.
NOTE	:	<i>No gift will be given in the AGM</i>

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NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the Members of **HITTCO TOOLS LIMITED** will be held at 11.00 A.M on Friday, the 28th September 2018 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 2018 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. Sidharth Bhandari (DIN: 00237174) who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought it, to pass with or without modification the following Resolution as an Ordinary Resolution:

“RESOLVED THAT, pursuant to 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, 2019.”

SPECIAL BUSINESS:

4. Appointment of Independent Director, Mr. MENEZES BRAGANCA NIKHIL FERNANDO DE (holding DIN 07101045)

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

RESOLVED THAT, pursuant to provisions of section 149 and other applicable provisions of the Companies act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. MENEZES BRAGANCA NIKHIL FERNANDO DE (holding DIN 07101045) be and is hereby appointed as Independent Director of the Company for a period of five years from the date of this Annual General Meeting.

5. Regularize appointment of Additional Director, Mr. Yashvardhan Bhandari (DIN: 06688573)

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

“RESOLVED THAT Mr. Yashvardhan Bhandari (DIN: 06688573) who was appointed by the Board of Directors as an Additional Director of the company with effect from 18th December, 2017 and who hold office up to the date of Annual General Meeting of the company in term of section 161(1) of the Companies Act, 2013 but who is eligible for appointment and in respect of whom the company has received a notice in

writing from a member under section 160(1) of the Companies Act, 2013 proposing him candidature for the office of Director of the company, be and is hereby appointed as Director of the Company, liable for Retire by rotation.

By order of the board

Sd/-

Manjeet

Company Secretary & Compliance Officer

Place: Bangalore

Date: 4th September, 2018

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 authorized 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 21st September, 2018 to 28th September, 2018 (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. J.K. Rathi & Co, 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.in and on the website of the CDSL: www.cdslindia.com within two days of passing of the resolution at the 24th 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 25th September, 2018 at 9.00 A.M and ends on 27th September, at 5:00 P.M 2018. 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 20th September, 2018 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/Members.
- (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	<p>Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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 (v).

- (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 of 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 changed login password then Enter the User ID and the image verification code and click on Forgot Password & entering 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. 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 favor 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.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013.

Item: 4

In the opinion of the Board, Mr. MENEZES BRAGANCA NIKHIL FERNANDO DE (holding DIN 07101045) fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. MENEZES BRAGANCA NIKHIL FERNANDO DE (holding DIN 07101045), as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. MENEZES BRAGANCA NIKHIL FERNANDO DE (holding DIN 07101045), as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. MENEZES BRAGANCA NIKHIL FERNANDO DE (holding DIN 07101045), as an Independent Director, for the approval by the shareholders of the Company.

Except Mr MENEZES BRAGANCA NIKHIL FERNANDO DE (holding DIN 07101045), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under LORD Regulation, 2015 with the Stock Exchange.

Item No. 5: Mr. Yashvardhan Bhandari (DIN: 006688573) as Director of the company.

The Board at its meeting held on 18th December, 2017 appointed Mr. Yashvardhan Bhandari as Additional Director respectively with effect from such Board meeting dates pursuant to Section 161 of the Companies Act, 2013. Hence, he will hold office up to the date of the ensuing Annual General Meeting.

The Company has received consent in writing to act as directors in Form DIR 2 and intimation in Form DIR8 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that they are not disqualified under sub-section (2) of section 164 of the Companies Act, 2013.

The Board considers that their association would be of immense benefit to the Company and it is desirable to avail their services as Director. Accordingly, the Board recommends the resolution No. 5, in relation to appointment of Mr. Yashvardhan Bhandari as Director, for the approval by the shareholders of the Company

None of the Directors are interested on the above Resolution.

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. Sidharth Bhandari
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HITTCO TOOLS LIMITED

DIN	00237174
Date of Birth	17-02-1972
Date of Appointment	04-01-1995
Qualification	B.E
Expertise in specific functional areas	He has come from business family and has possess good business sense and administrative capabilities.
List of other Companies in which Directorship held (excluding in Foreign companies)	<ol style="list-style-type: none"> 1. IEM International Private Limited 2. Hitecc Prints (India) Private Limited 3. BI Holdings (Bangalore) LLP 4. HTC Properties LLP 5. B.I. Realtors LLP 6. Hittco Properties LLP
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.	3,92,699 Equity Share

By order of the board

Place: Bangalore
Date: 4th September, 2018

Sd/-
Manjeet
Company Secretary & Compliance Officer

DIRECTORS' REPORT

To
The Members,

Your Directors take pleasure in presenting the 24th Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2018.

FINANCIAL RESULTS:

(Rs. In Lakhs)

Particulars	2017-18	2016-17
INCOME:		
Sales	615.16	605.29
Other Income	18.25	19.17
Total (A)	633.14	624.46
EXPENSES:		
Cost of Material Consumed	242.14	239.18
Purchase of Stock-in-trade		-
Changes in inventories of finished goods, work in progress and stock-in-trade	23.68	21.72
Employee benefit expenses	160.81	141.16
Interest and Financial Charges	25.95	31.14
Other expenses	143.49	142.11
Exceptional items	14.43	-
Total (B)	610.5	575.31
Profit before Depreciation and Tax (C) = (A) - (B)	22.64	49.15
Depreciation and amortization expenses	93.66	104.00
Tax		
Profit / (Loss) after Depreciation and Tax	(71.02)	(42.40)
Earnings Per Share(Basic)	(1.22)	(0.70)
Earnings Per Share(Diluted)	(1.22)	(0.70)

OPERATIONS AND BUSINESS PERFORMANCE:

The Company turnover increase to Rs.615.16 lakhs during the year 2017-18 as against Rs.605.29 lakhs during the previous year 2016-17. The Export Sales for the year 2017-18 was Rs. 4.37 lakhs compared to Rs. 9.24 lakhs. The Company's net loss after tax for the year 2017-18 is increase to Rs.71.02 lakhs as against loss of Rs. 42.40 lakhs in the previous year which is due to provision for Depreciation, 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 2017-2018.

DIRECTORS:

Mr. Yashvardhan Bhandari (DIN: 06688573), was appointed as an Additional Director on December 18th, 2017. Your Directors recommend his appointment as a Director.

At the ensuing Annual General Meeting, Mr. Sidharth Bhandari (DIN: 00237174) who retires by rotation and being eligible, offers himself for re-appointment

DIRECTORS RESPONSIBILITY STATEMENT:

Your Directors state that:

- a) In the preparation of the annual account for the year ended March 31, 2018, the applicable accounting standard read with the requirements set out under schedule III to the Act, have been followed and there are 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, 2018 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 is 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 2018 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 directors positively view the prospectus for the current year with confidence.

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE REPORT

During the year under review, no company has 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:

- 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 J.K. Rathi & Co., Company Secretaries, have been appointed as Secretarial Auditors of the Company for the year 2017-18. The Secretarial Audit report for the financial year ended March 31, 2018 is annexed 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 is 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 & ANALISYS 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 infrastructure in place capable of addressing those risks. A group Risk Management Policy was reviewed and approved by the committee.

INTERNAL FINANCIAL CONTROLS

The company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

During the year, Mr. Krishna Jayakumar (Company Secretary) has given his resignation and Mr. Manjeet, was appointed as the new 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

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

BOARD EVALUATION

Pursuant to the provision of the companies Act, 2013 and clause of the listing agreement, the board is carried out an annual performance Evaluation of its performance, the director individually as well as the evaluation of its Audit, Nomination and Remuneration and Other committee. The manner in which the evaluation has been carried out has been explained in the corporate governance report. The independent directors are regularly updated on the industry and market trends, plants and process and operation performance of the company through presentations in this regard and periodic plant visit. They are also periodically kept aware of the latest development in the corporate governance, their duties as a director and relevant laws.

VIGIL MECHANISM POLICY

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

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

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

SECURITIES:

The Company's shares are listed in the Stock Exchanges of Mumbai. 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

Sd/-
SURENDRA BHANDARI
CHAIRMAN CUM MANAGING DIRECTOR

Sd/-
SIDHARTH BHANDARI
DIRECTOR

Place: Bangalore
Date: 4th September, 2018

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.

B. Technology Absorption

i. The efforts made towards technology absorption: -

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

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

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

iii. Details of the imported Technology: -

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

C. Foreign Exchange Earnings and Outgoing

The Export Sales during the year has contributed 2 % of the total Sales.

	<u>2017-18</u>	<u>2016-17</u>
Total Foreign Exchange – Used (Rs.):	95,40,657	13,06,153
Earned (Rs.):	4,37,630	9,24,175

For and on behalf of the Board of Directors

Sd/-
SURENDRA BHANDARI
CHAIRMAN AND MANAGING DIRECTOR

Sd/-
SIDHARTH BHANDARI
DIRECTOR

Place: Bangalore

Date: 4th September, 2018

MANAGEMENT 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 caters to India heavy and medium industries, the small scales sector meets the demand of ancillary and other unites. The machine tools industry can be broadly classified into metal-cutting and metal cutting –forming tools, based on the type of operation. Metal cutting accounts 81 per cent of the total output of machine tools in India. Key metal cutting tools include turning centers, machining centers and grinding centers which account for nearly two –thirds of the total metal cutting production.

There has been a growing need to adopt CNC- based machine tools in the end user segments to achieve precision and accuracy in the production process. Moreover, non- CNC 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 years.

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

B. OPPORTUNITIES:

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

C. THREATS:

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

D. STRENGTH

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

E. SEGMENT-WISE PERFORMANCE

Your Company made after tax loss Rs. 71.02 lakhs on a turnover of Rs. 615.16 lakhs and other income of Rs. 18.25 lakhs.

	Drill Bits & Taps (in Lakhs)
Net Sales & Operating Revenue	Rs. 633.14
PBIT	Rs. 48.59
Capital Employed	Rs. 527.52

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

Sd/-
SURENDRA BHANDARI
CHAIRMAN CUM MANAGING DIRECTOR

Sd/-
SIDHARTH BHANDARI
DIRECTOR

Place: Bangalore
Date: 4th September, 2018

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 Regulation 19 of the LODR, Regulation,2015.

“**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 LODR Regulation, 2015 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 promoter 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 percents 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 years 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

- Hitcco Tools Limited recognizes the importance of aligning the business the business objective with specified and measurable 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.

For and on behalf of the Board of Directors

Sd/-
SURENDRA BHANDARI
CHAIRMAN CUM MANAGING DIRECTOR

Sd/-
SIDHARTH BHANDARI
DIRECTOR

Place: Bangalore
Date: 4th September, 2018

Annexure – D

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 Ten (10). Out of Ten Directors, Six 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 2017–18. Nine Board Meetings were held as follows and the maximum gap between any two meetings was not more than Four Months.

Quarter		Dates
April – June, 2017	1	23 rd May, 2017
	2	30 th May, 2017
	3	30 th June, 2017
July – September, 2017	4	11 th August, 2017
	5	1 st Sepetember, 2017
October – December, 2017	6	06 th November, 2017
	7	05 th December, 2017
	8	18 th December, 2017
January – March, 2018	9	14 th February, 2018

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	9	9	Yes	8	2	-
2. Madhu Bhandari	70,077	Director	9	9	Yes	6	1	-
3. Sidharth Bhandari	3,92,699	Director	9	5	No	9	-	-
4. Rajib Ghosh Roy	0	Whole time Director	9	9	Yes	-	-	-
5 Yashvardhan Bhandari (Additional Director appointed on 18 th Dec, 2018)	0	Director	9	1	No			
6. Rajeev G. Hassanand	0	Independent Director	9	5	No	1	3	-
7. S.R. Satish	0	Independent Director	9	9	Yes	-	3	3
8. N.K. Raghunath	1,000	Independent Director	9	5	No	-	-	-
9. Vikram S Gupta	1,000	Independent Director	9	5	No	1	-	-
10. B S Prakash	0	Independent Director	9	6	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 2017-18, the Company did not advance any loan to any of its Directors. The remuneration paid to the Directors for the year 2017-18 is given below:

Name of the Director	Category	Salary	P.F.
1. Surendra Bhandari	Chairman Cum Managing	-	-

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	Director		
2. Sidharth Bhandari	Director	-	-
3. Madhu Bhandari	Director	-	-
4. Rajib Ghosh Roy	Whole time Director	Rs. 9,61,430	Rs. 21,600
5 Yashvardhan Bhandari	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	-	-
10. B S Prakash	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 only to those who make a request for sending it through Physical Mode.

BOARD COMMITTEES

The Company has Three Board Level Committees – Audit Committee, Nomination and Remuneration Committee and Stakeholders’ Relationship Committee. All decisions pertaining to the constitution of Committees, appointment of Committee Members and fixing of their terms of service are taken by the Board of Directors.

A) Audit Committee

The composition of Audit Committee as on 31.03.2018 is as follows:

Mr. S R Satish - Chairman
Mr. Surendra Bhandari - Member
Mr. Rajeev G Hassanand - Member

Mr. Manjeet, is Secretary to the Audit Committee.

The Audit Committee Chairman 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 2017-18 on 30th May, 2017, 12th August, 2017, 6th November, 2017 and 4th February, 2018.

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, Mrs. Madhu Bhandari and Mr. Rajeev G Hassanand. 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 2017-18 on 30th May, 2017, 12th August, 2017, 6th November, 2017 and 4th February, 2018.

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) Stakeholder's Relationship Committee

The Stakeholders Relationship Committee comprises of three Directors, viz. Mr. S R Satish, Mr. Surendra Bhandari and Mr. Rajeev G Hassanand. Mr. S R Satish is the Chairman of the Stakeholders Relationship Committee. The Company Secretary is the Secretary of the Committee.

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

	Received	Resolved	Balance
Complaints	NIL	NIL	NIL

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

Compliance Officer

The Board has designated Mr. Manjeet, 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 favor 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.

INDEPENDENT DIRECTOR MEETING:

During the year under review, the independent director met on March 25, 2018 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

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

Annual General Meeting			
2014-15	30-09-2015	11.00 A.M.	"SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore-560 001.
2015-16	30-09-2016	11.00A.M	"SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore-560 001.
2016-17	29-09-2017	11.00 A.M	"SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore-560 001.

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

I. Disclosures

- a. Disclosures on materially significant related party transactions i.e. material transactions of the Company with its promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have 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, 2018, 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. Sidharth Bhandari, being eligible, offers themselves 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 28th September, 2018 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, 2018	By 28 th September, 2018
Unaudited Financial results for the first quarter ending 30 th June, 2017	By 11 th August, 2018
Unaudited Financial results for the second quarter ending 30 th September, 2017	By 15 th November, 2018
Unaudited Financial results for the third quarter ending 31 st December, 2017	By 15 th February, 2019
Audited Financial results for the year ending 31 st March, 2018	By 30 th May, 2019

Book Closure Dates

21st September, 2018 to 28th September, 2018 (both days inclusive) for requirements of Regulation 42 of SEBI (LORD) Regulation, 2015 for the financial year 2017-18.

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 2017-18 on Bombay Stock Exchange:

No	Date	Highest (Rs.)	Lowest (Rs.)
1.	April, 2017	7.32	6.04
2.	May, 2017	6.77	6
3.	June, 2017	6.61	5.65
4.	July, 2017	6.49	5.62
5.	Aug, 2017	5.85	4.9
6.	Sep, 2017	6	6

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7.	Oct, 2017	6	6
8.	Nov, 2017	5.98	5.7
9.	Dec, 2017	5.69	4.89
10	Jan, 2018	5.42	4.02
11.	Feb, 2018	3.86	3.86
12.	Mar, 2018	3.94	3.1

Registrar and Transfer Agents:

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

Share Transfer System

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

Distribution of Shareholding

Given below Tables A & B lists the distribution of the shareholding of the Equity Shares of the Company by size and by ownership class as on 31st March 2017.

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	1040	70.41	1914520	3.11
05001 – 10000	186	12.59	1662610	2.70
10001 - 20000	81	5.48	1293240	2.10
20001 - 30000	44	2.98	1171960	1.90
30001 - 40000	29	1.96	1056970	1.72
40001 - 50000	15	1.02	722550	1.17
50001– 100000	36	2.44	2819560	4.58
100001 & above	46	3.12	50957060	82.72
Total	1477	100	61598470	100

Table B: Shareholding Pattern by Ownership

Particulars	No. of Shareholders	No. of shares	% to total Shares
Promoter & Promoter Group	9	35,72,568	58
Public	1468	25,87,279	42
Total	1477	6159847	100.00

Dematerialization of Equity Shares

Trading in equity shares of the Company became mandatory in dematerialized form from 01.10.2000. To facilitate trading in demat form, there are two depositories i.e. National Securities Depository Limited (NSDL)

and Central Depository Services (India) Limited (CDSL). The Company has entered into agreements with both these NSDL and CDSL. Shareholders can open their accounts with any of the Depository Participants to hold their shares in dematerialized form. About 80% of the Equity Shares of the Company are held in the dematerialized form.

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

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

Plant Locations of the Company

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

Address for Correspondence

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

Our Registrar and Transfers Agent's Address 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 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

Sd/-
SURENDRA BHANDARI
CHAIRMAN AND MANAGING DIRECTOR

Sd/-
SIDHARTH BHANDARI
DIRECTOR

Place: Bangalore
4th September, 2018

To
The Members 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, 2018.

Sd/-

Place: Bangalore
Date: 4th September 2018

Surendra Bhandari
Chairman and Managing Director

CEO/CFO CERTIFICATION

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, 2018 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.

Place: Bangalore
Date: 4th September, 2018

Sd/-
Rajib Ghosh Roy
Whole Time Director & CFO

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2018

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, 2 nd Floor, Bangalore 560052, Karnataka. INDIA – 560052. Contract No. – 080-40865000
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
1	Manufacture of Drills Bits	357	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian/foreign									
a) Individual/ HUF	12,82,160	0	12,82,160	20.81	15,82,160	0	15,82,160	25.68	4.87
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	1990408	0	1990408	32.31	1990408		1990408	32.31	0
e) Banks / FI									
f) Any other									
Total shareholding of Promoter (A)	32,72,568	0	32,72,568	53.12	3572568		35,72,568	58%	4.87
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									

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g) FII's									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.	91320	219300	310620	5.04	91320	219300	310620	5.04	0
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	892243	230680	1122923	18.23	894546	2,30,680	11,25,226	18.27	0.04
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	605783	136800	742583	12.06	619823	136800	7,56,623	12.28	(0.22)
c) Others (specify)									
Non Resident Indians	372444	0	372444	6.04	372444	0	372444	6.04	0
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	1910	0	1910	0.03	105	0	105	0.01	0.02
Hindu Undivided Families	21611	0	21611	0.35	22,261	0	22261	0.36	0.01
Foreign Bodies - D R									
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2000499	886780	2887279	46.87					0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0

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Grand Total (A+B+C)	4973067	1186 780	6159847	100	55,73,067	5,86,780	6159847	100	0
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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 / encumbered to total shares	
1	Surendra Bhandari	1000684	16.25	0	1000684	16.25	0	0
2	Sidharth Bhandari	92,699	1.50	0	3,92,699		0	6.38
3	Madhu Bhandari	70077	1.14	0	70077	1.14	0	0
4	Manesha Bhandari	118700	1.93	0	118700	1.93	0	0
5	IEM International Private limited	72000	1.17	0	72000	1.17	0	0
6	Fotoset Trading Company Private Limited	55700	0.90	0	55700	0.90	0	0
7	Hittco Properties Private Limited	352044	5.72	0	652044	10.59	0	4.87
8	BI Holding (Bangalore) Private Limited	917064	14.89	0	917064	14.89	0	0
9	Hitecc Prints (India) Private Limited	293600	4.77	0	293600	4.77	0	0

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	92,699	1.50		
	Date wise Increase / Decrease in Promoters Shareholding during the year				

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	specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year	3,92,699	6.38		

**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		
3.	Foresight financial service limited	96,200	1.56		
5.	Dipak Kanayalal Shah	2,20,000	3.57		
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 (Whole Time Director & Chief Financial Officer)				
	At the beginning of the year	0	0		
	Change during the year	0			
	At the end of the year	0	0	0	0
3.	Manjeet Kumar (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

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4.	Krishna Jayakumar (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 excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year(01.04.2016)				
i) Principal Amount	71,47,521	1,41,97,365	0	2,13,44,886
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	71,47,521	1,41,97,365	0	2,13,44,886
Change in Indebtedness during the financial year				
* Addition	0	13,84,511	0	13,84,511
* Reduction	25,84,968	0	0	25,84,968
Net Change	25,84,968	13,84,511	0	39,69,479
Indebtedness at the end of the financial year (31.03.217)				
i) Principal Amount	45,62,553	1,28,12,854	0	1,73,75,407
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	45,62,553	1,28,12,854	0	1,73,75,407

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	0	9,03,600
	(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	9,03,600	9,03,600
	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/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	NA	9,91,535	NA	9,91,535
	(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	9,91,535	NA	9,91,535

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					

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

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

To,

The Members,

Hittco Tools Limited

CIN: L28939KA1995PLC016888

HTC ASPIRE, 19, Ali Asker Road, 2nd Floor

Bangalore, Karnataka-560052, India

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of:

- i. The Companies Act, 2013 (‘the Act’) and the Rules made thereunder and the relevant provisions of the Act;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009; - Not Applicable as the Company did not issue any security during the Financial Year under review.
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 in relation to Employee Stock Option Scheme; - Not Applicable as Company has not issued any ESOPS to its employees;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not applicable as the Company has not issued any debt securities during the financial year under review;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - Not Applicable as the Company has not done any buyback of its securities during the financial year under review.
- vi. The following key / significant laws as specifically applicable to the Company: -
- 1) The Apprentices Act, 1961
 - 2) The Factories Act, 1948
 - 3) The Legal Metrology Act, 2009 and rules made thereunder
 - 4) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
 - 5) The Water (Prevention and Control of Pollution) Act, 1974
 - 6) The Water (Prevention and Control of Pollution) Cess Act, 1977
 - 7) The Air (Prevention and Control of Pollution) Act, 1981
 - 8) The Environment (Protection) Act 1986
 - 9) The Hazardous Wastes (Management and Handling) Rules, 1989
 - 10) The Government Order Under Environment (Protection) Act, 1986
 - 11) The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999
 - 12) The Contract Labour (Regulation and Abolition) Act, 1970 & its Central Rules/ concerned State Rules.
 - 13) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes.
 - 14) The Employees' State Insurance Act, 1948 & its Central Rules / concerned State Rules.
 - 15) The Minimum Wages Act, 1948 & its Central Rules/ concerned State Rules/ Notification of Minimum Wages applicable to various class of industries/ Trade.
 - 16) The Payment of Wages Act, 1936 & its Central Rules/ concerned State Rules if any.
 - 17) The Payment of Bonus Act, 1965 & its Central Rules/ concerned State Rules if any.
 - 18) The Payment of Gratuity Act & its Central Rules/ concerned State Rules if any.

- 19) The Child Labour (Regulation & Abolition) Act, 1970
- 20) The Karnataka Daily Wage Employees Welfare Act, 2012
- 21) The Maternity Benefit Act, 1961 & its Rules.
- 22) The Equal Remuneration Act, 1976.
- 23) The Labour Welfare Fund Act, 1965
- 24) The Workmen's Compensation Act, 1923
- 25) The Karnataka Shops & Establishments Act, 1961 and rules made thereunder
- 26) Information Technology Act, 2000
- 27) The Industrial Dispute Act, 1947
- 28) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- 29) Persons with Disabilities (Equal Opportunities, Protection, Protection of Rights and Full Participation) Act, 1996
- 30) The Competition Act, 2002
- 31) The Indian Contract Act, 1872
- 32) The Sales of Goods Act, 1930
- 33) The Forward Contracts (Regulation) Act, 1952
- 34) The Indian Stamp Act, 1899

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

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

We further report that: -

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

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

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

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

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

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

For J.K. Rathi & Co.
Company Secretaries
Jitendra Kumar Rathi
Proprietor

ACS No: 51621

CP No: 20246

Place: Delhi

Date: 02nd September, 2018

‘Annexure A’

To,

Hittco Tools Limited

CIN: L28939KA1995PLC016888

HTC ASPIRE, 19, Ali Asker Road, 2nd Floor

Bangalore, Karnataka-560052, India

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/Company Secretary/Managing Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws and Data protection policy.
8. We further report that the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For J.K. Rathi & Co.
Company Secretaries
Jitendra Kumar Rathi
Proprietor

ACS No: 51621

CP No: 20246

Place: Delhi

Date: 02nd September, 2018

**INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH
CORPORATE GOVERNANCE**

To the Members of
HITTCO TOOLS LIMITED

1. This certificate is issued in accordance with our engagement letter dated 03.09.2015.
2. We, Mishra & Co., Chartered Accountants, the statutory auditors of **HITTCO TOOLS LIMITED** (“ **the company**”), have examined the compliance of conditions of corporate governance by the company, for the year ended on 31st March 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of schedule V to the SEBI(Listing obligations and disclosure requirements) Regulations, 2015(the” listing Regulations”)

Management's Responsibility:-

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the management of the company. This responsibility includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of corporate governance stipulated in the listing regulations.

Auditor's Responsibility:-

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the company, for ensuring compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
5. We have examined the books of accounts and other relevant records and documents maintained by the company for the purpose of providing reasonable assurance on the compliance with corporate governance requirements by the company.
6. We have carried out an examination of the relevant records of the company in accordance with the guidance note on certification of corporate governance issued by the institute of the chartered accountants of India (the “ICAI”) , the standards on Auditing specified under section 143(10) of the Companies Act,2013, in so far as applicable for the purpose of this certificate and as per the guidance note on reports or certificates for special purposes issued by the ICAI which requires that we comply with the ethical requirements of the code of ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the standard on quality control (SQC) 1, Quality control for firms that perform audits and reviews of historical financial information, and other assurance and related service engagements.

Opinion:-

8. Based on our examination of the relevant records and according to the information and explanations provided to us, we certify that company has complied with the conditions of corporate governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of schedule V to the listing regulations during the year ended 31st March 2018.
9. We 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.

Restrictions on use

10. The certificate is addressed and provided to the members of the company solely for the purpose to enable the company to comply with the requirement of the listing regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For Mishra & Co.,
Chartered Accountants
Firm's Registration
No.012355S**

**Place: Bengaluru
Date: 30/05/2018.**

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

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

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of **HITTCO TOOLS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Standalone Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 standalone Ind AS 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 standalone Ind AS Financial Statements.

Basis for Qualified Opinion

1. *The finished goods and work-in progress have been valued at estimated cost. The estimated cost has been arrived by deducting adhoc percentage towards margin from the selling price. We are unable to obtain sufficient and appropriate audit evidence about approximation to the actual cost as required by the Ind AS – 2 “Inventories” from the records maintained by the company. Consequently, we are unable to determine the deviation on the financial statements for the year end 31st March 2018.*

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 Ind AS 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 2018;
- ii. In the case of the statement of profit or loss (including other comprehensive income), of the loss for the year ended on that date;
- iii. In the case of the statement of cash flows, of the cash flows for the year ended on that date
- iv. In the case of the statement of changes in equity, the changes in equity for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, based on our audit 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, the statement of profit and loss including other Comprehensive income, statement of changes in equity and the statement of cash flow 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 Standalone financial statements comply with the Indian Accounting standards prescribed under section 133 of the Act.
 - 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, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure ‘B’**. our report

expresses an unmodified opinion on the adequacy and operating effectiveness of the company's financial controls over financial reporting

- ix) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- a. the Company has disclosed the pending litigations on its financial positions in its standalone Ind As financial statements in note No.30.2. (i)
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company

**For Mishra & Co.,
Chartered Accountants
FRN:012355S**

**Place: Bengaluru
Date:30/05/2018**

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

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

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) All fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification. All the title deeds of immovable properties are held in the name of the Company.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. (a) The Company has not granted secured/unsecured loan to parties covered in the register maintained under section 189 of the Companies Act, 2013 during the financial year 2017-18.
- iv. In our opinion and according to the information and explanation provided to us, the provisions of section 185 and 186 of The Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable have been complied with.

- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year and therefore, the provisions of the clause 3(v) of the order is not applicable to the company.
- vi. The Central Government has not prescribed maintenance of cost of records by the Company under section 148(1) of the Companies Act, 2013 for any of the products. Hence reporting under clause 3(vi) of the order is not applicable to the company.
- vii. According to the information and explanations given to us, in respect of statutory dues
 - (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales-tax, excise duty, wealth-tax, service tax, customs duty, cess and other material statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (c) According to the records of the Company, there are no dues outstanding of income-tax, goods and service tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute.
- viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders. The Company has not borrowed any funds from the government.
- ix. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained. There was no money raised by way of initial public offer or further public offer (including debt instruments) during the financial year 2017-18.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanation provided to us, and based on our examination of the records of the company, the company has paid/provided managerial remuneration in accordance with requisite approval mandated by the provisions of section 197 read with schedule V of the Act,
- xii. In our opinion and according to explanation provide to us, the Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the order is not applicable to the company.
- xiii. According to the information and explanation provided to us, for all transactions with the related parties and the details of related parties and the details of related party transactions are in compliance with sections 177 & 188 of the Companies Act, 2013 wherever applicable, for all transactions with the related parties and the details of such related party transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

- xiv. The Company has not made any preferential allotment/ private placement of shares or fully or partly convertible debentures during the financial year 2017-18. Therefore, the provisions of clause 3(xiv) of the order is not applicable.
- xv. According to the information and explanation provided to us, the company has not entered into any non-cash transaction with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
c safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Mishra & Co.,
Chartered Accountants
FRN:0123555

Place: Bengaluru
Date: 30/05/2018

CA Nilamadhab Mishra
Proprietor
Membership No.223157

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT
Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **HITTCO TOOLS LIMITED** (“the Company”) as on 31st March, 2018 in conjunction with our audit of the Standalone financial statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial control over financial reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Mishra & Co.,
Chartered Accountants
FRN:012355S**

**Place: Bengaluru
Date: 30/05/2018**

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

Hittco Tools Limited
Balance Sheet as at 31/03/2018

(Amount in Rs.)

Particulars	Notes	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(1) ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	1	3,42,10,421	4,22,54,414	5,16,03,400
(b) Capital work-in-progress		-	-	-
(c) Other Intangible assets	2	1,70,270	1,48,342	1,67,548
(d) Intangible assets under Development		-	-	-
(e) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables		-	-	-
(iii) Loans		-	-	-
(iv) Other financial Assets	3	50,80,133	49,07,860	66,21,381
(f) Deferred tax assets (net)		-	-	-
(g) Other non-current assets	4	(0)	19,99,902	20,35,816
Total Non-Current Assets		3,94,60,825	4,93,10,518	6,04,28,145
(2) Current assets				
(a) Inventories	5	1,53,13,711	1,86,26,006	2,01,90,309
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables	6	2,40,98,654	2,36,80,264	2,24,49,381
(iii) Cash and cash equivalents	7	10,00,292	4,01,810	6,47,342
(iv) Bank balances other than (iii) above		-	-	-
(c) Current Tax Assets (Net)		-	-	-
(d) Other current assets	8	41,24,584	40,18,418	63,48,650
Total Current Assets		4,45,37,240	4,67,26,497	4,96,35,681
Total Assets		8,39,98,065	9,60,37,015	11,00,63,827
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	9	6,32,06,970	6,32,06,970	6,32,06,970
(b) Other Equity	10	(3,50,62,509)	(2,82,64,907)	(2,40,25,203)
Total Equity		2,81,44,461	3,49,42,063	3,91,81,767
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	11	1,73,75,407	1,95,25,086	2,63,04,864
(ii) Trade payables		-	-	-
(iii) Other financial liabilities	12	29,26,115	29,61,106	26,95,109
(b) Provisions	13	29,55,582	46,05,787	45,97,059
(c) Deferred tax liabilities (Net)	14	13,50,811	14,18,000	26,61,000
(d) Other non-current liabilities		-	-	-
Total Non-Current Liabilities		2,46,07,915	2,85,07,979	3,62,58,132
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	98,52,624	1,07,67,755	1,34,37,050
(ii) Trade payables	16	82,98,660	93,17,110	76,41,440
(iii) Other financial liabilities	17	72,20,817	91,23,650	76,02,651
(b) Provisions	18	15,49,918	9,12,641	3,59,080
(c) Current Tax Liabilities (Net)		-	-	-
(d) Other current liabilities	19	43,23,670	24,65,815	55,83,607
Total Current Liabilities		3,12,45,689	3,25,86,973	3,46,23,827
Total Equity and Liabilities		8,39,98,065	9,60,37,015	11,00,63,827

Significant Accounting policies and notes to accounts 30

The accompanying notes are an integral part of these financial statements
For and on behalf of the board of directors of
HITCO TOOLS LIMITED

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

Surendra Bhandari
Managing Director

Sidharth Bhandari
Director

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

Manjeet
Company Secretary
Place: Bengaluru
Date: 30/05/2018

Rajib Ghosh Roy
CFO

CA Nilanshab Mishra
Proprietor
Membership No.223157

Hittco Tools Limited
Statement of Profit and Loss for the period ended 31st March 2018

(Amount in Rs.)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue From Operations	20	8,31,46,752	6,79,25,024
Other Income	21	18,24,970	13,70,124
Total Income (I+II)		6,49,71,722	6,92,95,148
EXPENSES			
Cost of materials consumed	22	2,42,13,993	2,39,18,280
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	23	23,67,817	21,72,047
Employee benefits expense	24	1,60,80,553	1,43,15,932
Finance costs	25	25,95,268	32,18,817
Depreciation and amortization expense	26	93,65,285	1,03,97,534
Excise duty expenses		16,31,316	73,95,932
Other expenses	27	1,43,49,205	1,35,60,901
Total expenses (IV)		7,06,03,436	7,47,79,833
Profit/(loss) before exceptional items and tax (I-IV)		(56,31,714)	(54,84,704)
Exceptional items	28	19,99,982	-
Profit/(loss) before tax (V-VI)		(76,31,616)	(54,84,704)
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax	14	(2,77,090)	(2,45,000)
Profit (loss) for the period from continuing operations (VI-VII)		(73,54,616)	(42,39,704)
Profit/(loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
Profit/(loss) for the period (IX+XII)		(73,54,616)	(42,39,704)
Other Comprehensive Income(Net of tax)			
Items that will be subsequently not re-classified to Profit & Loss Statement			
Re-measurement of Defined Benefit Obligations/Assets	30.2(vii)	5,57,014	-
Total Comprehensive Income for the period (XIII+XIV) [Comprising Profit (Loss) and Other Comprehensive Income for the period]		(67,97,602)	(42,39,704)
Earnings per equity share (for continuing operation):			
(1) Basic	29	(1.13)	(0.70)
(2) Diluted		(1.13)	(0.70)
Earnings per equity share (for discontinued operation):			
(1) Basic		-	-
(2) Diluted		-	-
Earnings per equity share (for discontinued & continuing operations)			
(1) Basic	29	(1.13)	(0.70)
(2) Diluted		(1.13)	(0.70)
Significant Accounting policies and notes to accounts	30		

The accompanying notes are an integral part of these financial statements

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

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

Surendra Bhandari
Managing Director

Sidharth Bhandari
Director

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

Manjeet
Company Secretary
Place: Bengaluru
Date: 30/05/2018

Rajib Ghosh Roy
CFO

CA Nilamadhab Mishra
Proprietor
Membership No.223157

HITCO TOOLS LIMITED
Cash Flow Statement for the year ended 31st March 2018(Amount in Rs.)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
A. Cash Flow from Operating Activities		
Profit before Taxation and extraordinary items (before taxes)	(76,31,616)	(54,84,704)
Adjustments for Depreciation	93,65,285	1,03,97,934
(Profit)/Loss on sale of Tangible assets	-	-
Interest Expenditure	25,95,268	32,18,827
Interest Income	(88,649)	(1,51,271)
Investment Income	-	-
Other Non cash adjustments	-	-
Operating Profit before working capital changes	42,40,288	79,80,785
Changes in Working Capital:		
(Increase)/Decrease in Trade Receivables	(4,18,390)	(12,30,883)
(Increase)/Decrease in Inventories	33,12,295	15,64,303
(Increase)/Decrease in Other non-current financial assets	(1,72,273)	17,13,521
(Increase)/Decrease in Other Non Financial assets	18,93,736	23,66,146
(Increase)/Decrease in Trade Payables	(10,18,450)	16,75,671
Increase/(Decrease) in Provisions	(2,44,103)	5,62,289
Increase/(Decrease) in Other Financial Liabilities	(19,37,824)	14,42,716
Increase/(Decrease) in Other Current Liabilities	18,57,854	(31,17,790)
Cash generated from Operations	75,13,133	1,29,56,758
Taxes paid (Net of refunds)	-	-
Net cash generated from operations before extraordinary items	75,13,133	1,29,56,758
Net cash generated from operating activities	75,13,133	1,29,56,758
B. Cash Flow from Investing Activities		
Sale of Asset	-	-
Investment Income	-	-
Interest received	88,649	1,51,271
Purchase of Property, Plant & Equipment, Intangible assets	(13,43,220)	(6,85,661)
Net Cash used in Investing Activities	(12,54,571)	(5,34,390)
C. Cash flow from Financing Activities		
Increase/(Repayment) of borrowings	(21,49,679)	(67,79,778)
Proceeds from share capital increase	-	-
Proceeds from issue of share warrants	-	-
Interest and other finance costs paid	(25,95,268)	(32,18,827)
Net cash used in Financing activities	(47,44,947)	(99,98,605)
Net Increase in cash and cash equivalents	15,13,615	24,23,763
Cash and Cash equivalents at the beginning of the year	(1,03,65,945)	(1,27,89,708)
Cash and Cash equivalents at the end of the year	(88,52,330)	(1,03,65,945)

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

Cash and Cash Equivalents as per above comprises of the following

	31st March 2018	31st March 2017	01st April 2016
Cash and Cash Equivalents	10,00,292	4,01,808	6,47,342
Bank overdrafts	(98,52,624)	(1,07,67,755)	(1,34,37,050)
Balance as per statement of cash flows	(88,52,331)	(1,03,65,947)	(1,27,89,708)

Notes:

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

The accompanying notes are an integral part of these financial statements

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

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

Surendra Bhandari
Managing Director

Sidharth Bhandari
Director

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

Manjeet
Company Secretary
Place: Bengaluru
Date: 30/05/2018

Rajib Ghosh Roy
CFO

CA Nilamadhab Mishra
Proprietor
Membership No.223157

HTTCD TOOLS LIMITED
Notes Forming Integral Part of the Balance Sheet as at 31st March, 2018

Notes : 1 Property, Plant & Equipment for the year ended 31st March 2018.

Notes : 1 Property, Plant & Equipment for the year ended 31st March 2018.									
Sr. No	Particulars	Cost or Deemed Cost			Accumulated depreciation				Carrying Amount
		Balance as on 01.04.2017	Additions during the year	Disposals/deduct merits during the year	Balance as on 31.03.2018	Balance as on 01.04.2017	Depreciation expense	Deposits	
I	Tangible Assets								
	Building	1,40,39,323	-	-	1,40,39,323	97,67,662	8,50,008	-	47,27,468
	Leasehold Property(Pl)	5,28,661	-	-	5,28,661	3,01,773	49,029	-	3,50,802
	Plant & Machinery	11,17,41,297	8,79,410	-	11,26,19,697	8,17,44,279	66,05,733	-	6,83,50,013
	Furniture & Fixtures	21,06,767	-	-	21,06,767	14,52,944	2,43,266	-	16,91,310
	Vehicle	1,01,32,783	-	-	1,07,32,783	79,47,413	11,50,364	-	91,37,700
	Office Equipment	21,02,053	1,02,332	-	25,62,385	20,94,858	1,96,686	-	22,91,584
	Computers	24,85,543	76,000	-	25,61,543	23,11,126	97,836	-	24,06,969
	Total	14,38,94,527	18,56,732	-	14,51,51,259	10,16,40,113	91,00,725	-	11,29,45,838
									3,42,10,421

Notes : 2 Intangible Assets for the year ended 31st March 2018.

Notes : 2 Intangible Assets for the year ended 31.03.2018

Sr. No	Particulars	Cost or Deemed Cost			Accumulated Amortisation and Impairment			Carrying Amount	
		Balance as on 01.04.2017	Additions during the year	Disposals during the year	Balance as on 31.03.2018	Balance as on 01.04.2017	Amortisation expense		Disposals
I	Intangible Assets								
	Computer Software	4,69,624	86,488	-	5,56,112	3,21,282	64,569	-	3,85,842
	Total	4,69,624	86,488	-	5,56,112	3,21,282	64,569	-	3,85,842
									1,76,278
									1,76,278

Notes : 1 Property, Plant & Equipment for the year ended 31st March 2017.

Notes : 1. Property, Plant & Equipment for the year ended 31st March 2017.										
Sr. No	Particulars	Cost or Deemed Cost				Accumulated depreciation and impairment				Carrying Amount
		Balance as on 01.04.2016	Additions during the year	Disposals during the year	Balance as on 31.03.2017	Balance as on 01.04.2016	Depreciation expense	Disposals	Balance as on 31.03.2017	
I	Tangible Assets									
	Building	1,40,39,323	-	-	1,40,39,323	47,37,609	10,30,053	-	57,67,662	82,71,661
	Leasehold Properties	5,28,561	-	-	5,28,561	2,45,193	56,580	-	3,01,773	2,26,680
	Plant & Machinery	11,17,25,101	6,15,907	-	11,17,41,297	7,45,60,465	73,81,815	-	8,17,44,279	2,99,87,018
	Furniture & Fittings	21,06,767	-	-	21,06,767	11,54,715	2,08,728	-	14,52,944	6,13,823
	Vehicles	1,07,32,783	-	-	1,07,32,783	65,03,523	14,63,809	-	79,67,832	27,05,741
	Office Equipment	22,38,845	26,798	-	22,60,053	18,98,189	95,909	-	20,94,858	1,65,355
	Computers	24,42,177	41,666	-	24,85,843	21,60,790	50,335	-	23,11,126	1,74,517
	Total	14,37,09,866	6,85,661	-	14,38,94,527	9,11,61,385	1,83,78,728	-	10,16,40,113	4,22,54,414

Notes : 2 Intangible Assets for the year ended 31st March 2017.

Notes : 2 Intangible Assets for the year ended 31st March 2017.										
Sr. No	Particulars	Cost or Deemed Cost			Accumulated Amortisation and Impairment				Carrying Amount	
		Balance as on 01.04.2016	Additions during the year	Disposals during the year	Balance as on 31.03.2017	Balance as on 01.04.2016	Amortization expense	Disposals		Balance as on 31.03.2017
I	Intangible Assets Computer Software	4,69,624	-	-	4,69,624	3,02,076	19,206	-	3,21,282	1,48,342
	Total	4,69,624	-	-	4,69,624	3,02,076	19,206	-	3,21,282	1,48,342

HITCO TOOLS LIMITED

Notes to financial statements for the Year ended 31st March 2018(All amount in Rs.unless otherwise stated)

3 Other Financial Assets(Non Current)

Particulars	As at 31.03.2018	As at 31.3.2017	As at 01.04.2016
Unsecured, Considered good			
Security Deposits	17,45,429	15,73,156	14,38,457
Total	17,45,429	15,73,156	14,38,457
Fixed deposits with maturity more than 12 months	33,34,704	33,34,704	51,82,924
Total	50,80,133	49,07,860	66,21,381

4 Other Non Current assets

Particulars	As at 31.03.2018	As at 31.3.2017	As at 01.04.2016
Unsecured, Considered good			
i)Capital Advances	-	-	35,914
ii)Advances other than capital advances			
a)Advances to Related Parties	-	19,99,902	19,99,902
Unsecured, Considered doubtful			
ii)Advances other than Capital Advances			
a)Advances to Related Parties	19,99,902	-	-
Less:doubtful advances written off	(19,99,902)	-	-
Total	(0.00)	19,99,902	20,35,816

5 Inventories

Particulars	As at 31.03.2018	As at 31.3.2017	As at 01.04.2016
(a) Raw materials	5,16,649	16,29,861	9,62,726
(b) Work-in-progress	17,79,353	22,66,774	17,27,898
(c) Finished goods	88,74,514	1,02,54,910	1,02,34,068
(d) Stock-in-trade	22,61,429	27,61,429	54,93,194
(e) Consumables Stores and Spares	18,81,766	17,13,032	17,72,423
Total	1,53,13,711	1,86,26,006	2,01,90,309

Amounts recognized in profit or loss:-

Stock in trade has been written down from Rs.27,61,429 as on 31st March,2017 to net realizable amount of Rs.22,61,429 as on 31st March,2018. Rs. 5 lakhs write down amount has been recognized as an expense during the year 2017-18 and included in 'change in value of inventories of work in progress,stock in trade and finished goods' in statement of profit and loss.

6 Trade Receivables

Particulars	As at 31.03.2018	As at 31.3.2017	As at 01.04.2016
Current			
Unsecured, considered good			
Receivable from related parties	-	-	-
Receivable from Others	2,40,98,654	2,37,14,264	2,24,49,381
Total	2,40,98,654	2,37,14,264	2,24,49,381

HITCO TOOLS LIMITED

Notes to financial statements for the Year ended 31st March 2018 (All amount in Rs. unless otherwise stated)

7 Cash and Cash Equivalents

Particulars	As at 31.03.2018	As at 31.3.2017	As at 01.04.2016
Balances with Banks			
In current Accounts	9,91,286	3,26,810	6,40,855
Cash and Cash equivalents:			
Cash on hand	9,007	74,998	6,487
Total	10,00,292	4,01,808	6,47,342

8 Other Current Assets

Particulars	As at 31.03.2018	As at 31.3.2017	As at 01.04.2016
Unsecured, considered good			
i) Advances other than Capital advances:			
Advance to related parties	30,18,243	23,31,497	20,50,000
Advances to suppliers	7,89,188	10,88,743	31,77,588
Staff Advances	74,014	2,70,097	-
ii) Prepaid expenses	61,823	-	-
iii) Balances with Statutory & Govt authorities	1,81,316	3,28,081	11,21,061
Total	41,24,584	40,18,418	63,48,650

9 Share Capital

Particulars	As at 31st March 2018		As at 31st March 2017		As at 01st April 2016	
	No. Of Shares	Amount (Rs/-)	No. Of Shares	Amount (Rs/-)	No. Of Shares	Amount (Rs/-)
Authorized Share Capital:						
75,00,000 (March 31, 2018 : 70,00,000) Equity Shares of Rs.10/- each	70,00,000	7,00,00,000	70,00,000	7,00,00,000	70,00,000	7,00,00,000
Issued Share Capital						
61,59,847 (March 31, 2018 : 61,59,847) Equity Shares of Rs.10/- each	61,59,847	6,03,60,470	61,59,847	6,03,60,470	61,59,847	6,03,60,470
Subscriber and fully Paid up:						
59,12,247 (March 31, 2018 : 59,12,247) Equity Shares of Rs. 10/- fully paid up	59,12,247	5,91,22,470	59,12,247	5,91,22,470	59,12,247	5,91,22,470
Subscribed and partly Paid up:						
247,600 (March 31, 2018 : 247,600) Equity Shares of Rs. 5/- Partly paid up	2,47,600	12,38,000	2,47,600	12,38,000	2,47,600	12,38,000
Perfected Shares:						
569,360 (March 31, 2018 : 569,360) Equity Shares of Rs. 5/- not received	5,69,360	28,46,500	5,69,360	28,46,500	5,69,360	28,46,500
Total	67,29,147	6,32,06,970	67,29,147	6,32,06,970	67,29,147	6,32,06,970

Terms/Rights attached to equity share holders

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

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

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

The Company has not declared any dividend during the year.

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

Reconciliation of number of Shares outstanding at the beginning and as on 31st March 2018

Particulars	As at 31st March 2018		As at 31st March 2017		As at 01st April 2016	
	No. Of Shares	Amount (Rs/-)	No. Of Shares	Amount (Rs/-)	No. Of Shares	Amount (Rs/-)
Balance as at the beginning of the previous year	59,12,247	5,91,22,470	59,12,247	5,91,22,470	59,12,247	5,91,22,470
Fully paid up (Rs. 10/- each)	2,47,600	12,38,000	2,47,600	12,38,000	2,47,600	12,38,000
Partly paid up 5/- each	-	-	-	-	-	-
Add: Shares issued during the year	-	-	-	-	-	-
Less: Shares bought back during the year	-	-	-	-	-	-
Balance as at the end of the year	61,59,847	6,03,60,470	61,59,847	6,03,60,470	61,59,847	6,03,60,470

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

Particulars	As at 31.3.2018		As at 31.3.2017		As at 01st April 2016	
	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
Surendra Bhargava	10,00,584	16.25%	10,00,584	16.25%	10,00,584	16.25%
Himco Industries Ltd	6,52,064	10.59%	6,52,064	10.59%	6,52,064	10.59%
B. Holdings (Bangalore) Ltd	9,17,064	14.89%	9,17,064	14.89%	9,17,064	14.89%
Singhvi Sharedeal	3,52,045	6.38%	3,52,045	6.38%	3,52,045	6.38%
Total	29,62,691	48.11%	29,62,691	48.11%	29,62,691	48.11%

HITCO TOOLS LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018(All amount in Rs.unless otherwise stated)

10 Reserves and Surplus	31st March 2018	31st March 2017	1st April 2016
Capital reserve	30,00,000	30,00,000	30,00,000
Securities Premium	1,32,00,000	1,32,00,000	1,32,00,000
Retained Earnings			
Balance at the beginning of the year	(4,44,64,907)	(4,02,25,203)	(2,89,96,958)
Add:Profit/(loss) for the year	(73,54,616)	(42,39,704)	(1,12,28,245)
Items of other comprehensive income recognized directly in retained earnings:			
Remeasurement of post-employment benefits obligation,net of tax	5,57,014	-	-
Balance at the end of the year	(5,12,62,509)	(4,44,64,907)	(4,02,25,203)
Total Reserves and Surplus	(3,50,62,509)	(2,82,64,907)	(2,40,25,203)

HITCO TOOLS LIMITED

Notes to financial statements for the Year ended 31st March 2018 (All amount in Rs. unless otherwise stated)

11 Non Current Borrowings

Particulars	As at 31.03.2018	As at 31.3.2017	As at 01.04.2016
Secured:			
Term Loans from Banks	1,00,36,212	1,41,88,566	1,78,17,683
Less: Current Maturities of Long term Debt	54,73,659	70,41,045	43,03,480
Total Secured Non Current Borrowings	45,62,553	71,47,521	1,37,14,203
Unsecured			
Loans from related parties:			
- Directors	27,87,959	14,67,480	7,12,480
- Associated enterprises	1,00,24,895	1,09,10,085	1,18,78,181
Total Unsecured Non Current Borrowings	1,28,12,854	1,23,77,565	1,25,90,661
Total	1,73,75,407	1,95,25,086	2,63,04,864

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

	Repayment Terms	Security	Interest rate	Maturity Date
a) Term Loans from Banks				
Kotak Term Loan A/C-000354	Equated Monthly Installment of Rs. 1,98,142/- each	Hypothecation of Current & Moveable Fixed assets	11.60% P.A./MCLR 9.05%+2.55%(Spread)	15th December 2019.
Kotak Term Loan A/C-000225	Equated Monthly Installment of Rs. 1,06,402/- each	Hypothecation of Current & Moveable Fixed assets	11.60% P.A./MCLR 9.05%+2.55%(Spread)	25th January 2020
Kotak Mahindra Prime Honda Amaze	Equated Monthly Installment of Rs. 14,425/- each	Hypothecation of Vehicle	10.33% P.A.	1st May 2018
Kotak Mahindra Car Loan-Audi	Equated Monthly Installment of Rs. 1,30,000/- each	Hypothecation of Vehicle	11.00% P.A. (MCLR rate 8.45%+2.55%(Spread))	05th March 2021
Kotak Mahindra Prime Ltd Xylo	Equated Monthly Installment of Rs. 23,889/- each	Hypothecation of Vehicle	10.2% P.A.	5th August 2019
Kotak Mahindra Car Loan Skoda	Equated Monthly Installment of Rs. 22,780/- each	Hypothecation of Vehicle	8.00% P.A.	5th February 2020

Loans and advances from related parties are interest free and are repayable on demand

a) Kotak Mahindra Term Loan 108/239 having an Equated Monthly Installment amount of Rs.2,27,019/- was completely repaid during the Financial year 2017-18.

Term loan was secured by part pass first charge over Current and moveable fixed assets of the company and was further secured by collateral securities over residential properties at peenya industrial area and personal guarantee of Siddharth Bhandari and Surendra Bhandari.

b) A New Kotak Mahindra Car Loan-Audi of Rs.75,00,000/- has been taken in the March month of 2018 for which no repayment is made during the financial year 2017-18.

c) Buyers Credit of Rs.44,00,372/- taken in F.Y.2015-16 towards capital equipment purchase was completely repaid during the F.Y.2016-17.

Nature of Security:-

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

1. Collateral Security over residential properties located at Plot no 78, Peenya Industrial area, 3rd Stage, Bangalore owned by Hindustan Tools Corporation for which Surendra Bhandari is the proprietor.
2. All the banking facilities are further personally guaranteed by two directors (Surendra Bhandari and Siddharth Bhandari).

HITCO TOOLS LIMITED

Notes to financial statements for the Year ended 31st March 2018 (All amount in Rs. unless otherwise stated)

12 Other Financial Liabilities (Non Current)

Particulars	As at 31.03.2018	As at 31.3.2017	As at 01.04.2016
Unsecured, Considered good Security Deposits	29,26,115	29,61,106	26,95,309
Total	29,26,115	29,61,106	26,95,309

13 Non Current Provisions

Particulars	As at 31.03.2018	As at 31.3.2017	As at 01.04.2016
Provision for Employee Benefits	29,55,582	46,05,787	45,97,059
Total	29,55,582	46,05,787	45,97,059

14 Deferred Tax Liability:

The balance comprises temporary differences attributable to :

Particulars	As at 31.03.2018	As at 31.3.2017	As at 01.04.2016
Deferred Tax Liabilities			
Property, Plant and Equipment, Intangible assets	10,72,000	25,16,000	30,84,000
Financial assets at Fair value through other comp	2,11,811	-	-
Deferred Tax assets			
Attributable to:			
Expenses allowable for tax purposes when paid	(67,000)	11,00,000	4,23,000
Total	13,50,811	14,16,000	26,61,000

Movement in Deferred tax liabilities

Particulars	Property, Plant and Equipment and intangible assets	Financial assets at FVOCI	Expenses allowed for tax purposes when paid	Total
As at 01st April 2016	30,84,000	-	(4,23,000)	26,61,000
Charged/(Credited)				
to Profit or Loss	(5,68,000)	-	(6,77,000)	(12,45,000)
to Other Comprehensive Income	-	-	-	-
As at 31st March 2017	25,16,000	-	(11,00,000)	14,16,000
Charged/(Credited)				
to Profit or Loss	(14,44,000)	-	11,67,000	(2,77,000)
to Other Comprehensive Income	-	2,11,811	-	2,11,811
As at 31st March 2018	10,72,000	2,11,811	67,000	13,50,811

HITCO TOOLS LIMITED

Notes to financial statements for the Year ended 31st March 2018 (All amount in Rs. unless otherwise stated)

15 Current Borrowings

Particulars	As at 31.03.2018	As at 31.3.2017	As at 01.04.2016
Secured:			
Loans Repayable on demand from Banks			
Banks Overdrafts:	98,52,624	1,07,67,755	1,34,37,050
Total	98,52,624	1,07,67,755	1,34,37,050

Note: Terms of Repayment of Current Borrowings, Nature of Security & Interest Rate

a) Name of the Bank	Terms of Repayment	Security	Interest rate
Kotal Mahindra Bank CC/WCTL	Repayable On Demand	Hypothecation of Current & Moveable Fixed assests	12.15%(MCLR 9.05%+Spread 3.10%)

Nature of Security:*

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

1. Collateral Security over residential properties located at Plot no 78, Peenya Industrial area, 3rd Stage, Bangalore owned by Hindustan Tools Corporation for which Surendra Bhandari is the proprietor.
2. All the banking facilities are further personally guaranteed by two directors (Surendra Bhandari and Siddharth Bhandari).

16 Trade Payables

Particulars	As at 31.03.2018	As at 31.3.2017	As at 01.04.2016
Payable to Related parties	-	-	-
Payable to others	82,98,660	93,17,110	76,41,440
Total	82,98,660	93,17,110	76,41,440

17 Other Financial Liabilities (Current):

Particulars	As at 31.03.2018	As at 31.3.2017	As at 01.04.2016
(i) Current maturities of Non Current Borrowings	54,73,659	70,41,045	41,03,480
(ii) Other Payables			
a) Payable to employees	13,05,689	20,88,251	32,32,020
b) Creditors for expenses	4,41,469	(5,646)	2,67,151
Total	72,20,817	91,23,650	76,02,651

HITCO TOOLS LIMITED

Notes to financial statements for the Year ended 31st March 2018(All amount in Rs.unless otherwise stated)

18 Provisions

Particulars	As at 31.03.2018	As at 31.3.2017	As at 01.04.2016
Current			
Provision for Employee benefits	15,49,918	9,12,641	7,60,888
Total	15,49,918	9,12,641	7,60,888

19 Other Current liabilities

Particulars	As at 31.03.2018	As at 31.3.2017	As at 01.04.2016
Statutory Liabilities	7,87,883	17,26,086	28,23,725
Advances received form Customers	35,35,788	6,89,528	1,17,716
Others	-	50,202	26,42,166
Total	43,23,670	24,65,816	55,83,607

HITCO TOOLS LIMITED

Notes to financial statements for the Year ended 31st March 2018 (All amount in Rs. unless otherwise stated)

20 Revenue from Operations

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
(a) Sale of Products (including excise duty) Finished goods	6,31,46,752	6,79,25,024
	6,31,46,752	6,79,25,024
(b) Sale of Traded Goods	-	-
Total	6,31,46,752	6,79,25,024

21 Other Income

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
(a) Interest Income	88,649	1,51,271
(b) Other non-operating income	17,36,312	12,18,853
Total	18,24,970	13,70,124

22 Cost of Material consumed

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Opening stock of Raw Materials	16,29,861	9,62,726
Opening stock of consumables	17,13,032	17,72,423
Add: Purchase of Raw Materials & Incidental expenses	1,89,10,369	2,25,64,542
Add: Purchases of Consumables	43,59,146	19,61,482
	2,66,12,408	2,72,61,173
Less: Closing stock of Raw Materials	5,16,649	16,29,861
Less: Closing stock of consumables	18,81,766	17,13,032
	23,98,415	33,42,893
Raw material consumed	2,42,13,993	2,39,18,280

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

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
(Increase)/Decrease in Stocks		
Inventories at the end of the year:		
Finished Goods	88,74,514	1,02,54,910
Work-in-Progress	17,79,353	22,66,774
Stock in Trade	22,61,429	27,61,429
TOTAL A	1,29,15,296	1,52,83,113
Less: Inventories at the beginning of the year		
Finished Goods	1,02,54,910	1,02,34,068
Work-in-Progress	22,66,774	17,27,898
Stock in Trade	27,61,429	54,93,194
TOTAL B	1,52,83,113	1,74,55,160
Total Changes in inventory of finished goods, work in Progress and Stock in Trade (A-B)	23,67,817	21,72,047

HITTCO TOOLS LIMITED

Notes to financial statements for the Year ended 31st March 2018 (All amount in Rs. unless otherwise stated)

24 Employee Benefit Expenses

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Salaries, Wages & Bonus	1,48,94,559	1,25,42,767
Contribution to Provident and other funds:		
i. Contribution to Provident fund	7,23,321	5,15,363
ii. Contribution to Employee State Insurance	2,82,522	2,46,304
Gratuity	-	3,76,430
Leave encashment	(3,15,090)	(10,830)
Staff welfare expenses	4,95,741	4,45,898
Total	1,60,80,553	1,41,15,932

25 Finance Costs

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Interest on Financial Liabilities not at fair value through profit or loss	23,92,071	29,80,576
Other Borrowing costs	2,03,197	2,38,750
Total	25,95,268	32,18,827

26 Depreciation and Amortisation

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Depreciation of Property, Plant and Equipment	93,00,725	1,03,78,728
Amortisation of Intangible assets	64,560	19,206
Total	93,65,285	1,03,97,934

HITCO TOOLS LIMITED

Notes to financial statements for the year ended 31st March 2018 (All amount in Rs. unless otherwise stated)

27 Other Expenses

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Power and Fuel	35,20,657	26,54,316
Bad debts & other balances written off	6,39,394	-
BSE Annual listing fees	2,87,500	2,29,000
Increase/(decrease) of Excise duty on Finished goods	-	-
Guest House Maintenance	1,16,164	69,440
Rent	2,22,741	2,87,624
Repairs and Maintenance – Plant and Machinery	6,22,380	85,502
Repairs and Maintenance – Building	4,64,010	1,70,172
Repairs and Maintenance – Others	1,90,956	93,613
Insurance	1,52,365	2,48,036
Rates and Taxes	26,711	87,106
Travelling Expenses	32,28,679	38,47,293
Conveyance expenses	1,17,553	1,85,709
Statutory & Tax Audit fees	1,18,000	1,14,500
Internal Audit fees	28,320	71,280
Postage and courier charges	10,63,494	7,50,325
Membership Fees	96,686	65,721
Exhibition Expenses	1,72,388	-
Legal, Professional and consultancy charges	8,83,763	9,34,439
Office Expenses	1,92,332	1,21,205
Property Tax	1,19,991	1,16,263
Printing & Stationary	4,83,661	3,83,781
Business Promotion expenses	2,60,673	16,60,665
Water charges	2,57,226	2,90,338
Internet charges	89,474	49,207
Liquidatroy Damages	81,749	1,45,726
Telephone Expenses	1,47,216	1,11,030
Transportation Charges	1,41,589	1,23,508
Security Charges	4,97,203	3,88,579
Outward Freight charges	25,813	1,77,959
Other expenses	2,37,764	6,39,363
Foreign Currency Gain or Loss	(1,37,248)	(5,40,800)
Total	1,43,49,205	1,35,60,901

Payment to auditor

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
As auditor :		
Audit fees	75,000	75,000
Tax audit fees	25,000	25,000
For other Services	-	-
Total	1,00,000	1,00,000

28 Exceptional items

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Advance given to Hitco (thailand) Ltd no longer receivable written off	19,99,902	-
Total	19,99,902	0

29 Earnings Per Equity Share

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Profit/(loss) after tax	(67,97,602)	(42,39,704)
Weighted average number of equity shares	60,36,047	60,36,047
Basic and diluted earnings/(loss) per share (INR)	(1.13)	(0.70)
Face value per share (INR)	10	10

Significant accounting policies and notes to accounts for the Year ended 31st March 2018/(All amount in Rs. unless otherwise stated)

30.2 (i) Contingent Liabilities and Commitments

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Bank Guarantees	-	-	-
On account of capital contracts remaining to be executed	-	-	-
Income Tax	-	-	-
Total	-	-	-

Case No	Year	Nature of dues	Dispute pending before
IAA/01/CR/48/2017-18	2017-18	wages/increments	Adcl. Labour Commissioner
REF. NO. 17/2016	2016-17	wages/increments	1ST Adcl. Labour court
LD NO. 174/2016	2016-17	wages/increments	Industrial tribunal
IAA/01/CR/12/2015-16	2015-16	wages/increments	Labour Commissioner
SIC-1/CR-12/2017/18	2017-18	wages/increments	Labour Commissioner
LOB-1/IDA/SR-14/2017-18	2017-18	wages/increments	Labour officer
W.P NO 25/28/2018(L)	2017-18	wages/increments	High court of Karnataka

The amount involved in the cases can't be measured reliably.

No provision has been made in the books relating to this cases as the management is confident that matter will be decided in its favour

30.2 (ii) CF value of imports

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Raw Materials	93,02,243	95,28,749
Trading Items	-	-
Capital Goods	-	-
Total	93,02,243	95,28,749

30.2 (iii) Expenditure Incurred in foreign currency

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Travelling expenses	15,11,304	13,06,153
Exhibition Expenses	3,91,537	-
Repairs and Maintenance Machinery	-	-
Total	19,02,841	13,06,153

30.2 (iv) Details of Consumption and purchase of raw material

Particulars	Year ended 31st March 2018		Year ended 31st March 2017	
a) Details of Raw Materials Consumed				
H S Steel		36,09,416		71,38,527
Cash/cheque		1,24,22,649		1,57,79,754
Total		1,60,32,065		2,29,18,281
b) Details of value of Imported and indigenous raw material				
Raw Materials and Stores and Spares				
Percentage				
	Imported	Indigenous	Imported	Indigenous
	1,03,20,796	1,62,61,014	95,28,749	1,65,61,577
	38.83%	61.17%	36.52%	63.48%
c) Purchase of Traded Goods				
Traded goods	Imported	Indigenous	Imported	Indigenous
	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

30.2 (v) Dividend Remitted in Foreign Exchange

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Dividend paid during the year	Nil	Nil
Number of Non Resident Shareholders	1	1
Number of equity shares held by such Non Resident Shareholders	3,92,699	92,699
Year to which the Dividend relates to	Nil	Nil

30.2 (vi) EARNINGS IN FOREIGN CURRENCY

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Revenue from exports on FOB basis	4,37,629	9,24,175

30.2 (vii) Earnings per Share

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
(a) Basic earnings per share		
Profit after tax	(67.97,602)	(42,39,704)
Weighted average number of shares outstanding	60,36,047	60,36,047
Basic EPS	(1.13)	(0.70)
(b) Diluted earnings per share		
Profit after tax	(67,97,602)	(42,39,704)
Weighted average number of shares outstanding	60,36,047	60,36,047
Additional weighted average number of potential equity shares	60,36,047	60,36,047
Diluted EPS	(1.13)	(0.70)
Face value per share	Rs. 10 per share	Rs. 10 per share

30.2 (viii) EMPLOYEE BENEFITS

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

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

Particulars	As at 31.3.2018	31.3.2017
Present value of Defined benefit obligation		
Obligations at Period beginning	9,14,931	46,26,206
Service cost	1,82,070	1,36,156
Interest cost	62,215	1,86,474
Actuarial (Gain) / Loss	20,00,620	-
Benefits paid	(2,35,599)	(40,33,905)
Obligations at Period at the end of the year	29,24,237	9,14,931
Defined benefit obligation liability, on account of gratuity, as at the Balance Sheet date has not been funded.		
Fair value of plan assets		
Plan assets at period beginning at fair value	-	-
Expected return on plan assets	-	-
Actuarial (Gain) / Loss	-	-
Employers' Contributions	2,35,599	40,33,905
Benefits paid	(2,35,599)	(40,33,905)
Plan assets at period end at fair value	-	-
Assets/liabilities recognised in the balance sheet		
Fair value of plan assets at period end	-	-
Asset / (Liability) recognised in the balance sheet	(29,24,237)	(9,14,931)
Significant estimates: actuarial assumptions and sensitivity		
Discount rate	7.60%	6.80%
Estimated salary escalation rate	5.00%	5.00%
Mortality rate	100% of IALM 2006-08	100% of IALM 2006-08
Withdrawal rate	7.00%	7.00%
Gratuity expenses recognised in 'other comprehensive income'(net of taxes)	5,57,014	-
Gratuity Expenses recognised in the Profit or Loss	-	3,76,430

Sensitivity analysis

For the financial year 2017-18			
Item	Change in assumption	Impact in case of increase in assumption	Impact in case of decrease in assumption
Discount rate	0.50%	(69,159)	72,518
Salary inflation rate	1%	1,50,985	(1,39,637)
Withdrawal rate	5%	78,013	(1,25,261)
Total		1,59,839	(1,92,380)

Significant accounting policies and notes to accounts for the Year ended 31st March 2018/(All amount in Rs. unless otherwise stated)

30.2 (ix) SEGMENT REPORTING

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

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

The company has revenue from transactions with a single customer amounting to more than 10% of the company's revenues

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

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Revenue from :-		
India	6,77,09,122	6,70,00,849
Singapore	1,12,929	-
Thailand	1,82,027	5,55,657
South Africa	1,42,674	90,156
South arabia	-	26,051
Bangladesh	-	2,52,311
Total Revenue from operations	6,31,46,752	6,79,25,024

The company has revenue from transactions with a single customer amounting to more than 10% of the company revenues

Customer Name	Amount in Rs. for the year ended 31st March 2018.	% of Total revenue
Sanyal International	65,18,110	10.32

30.2 (ix) Managerial Remuneration

Particulars	31.3.2018	Remuneration 31.03.2017	01.04.2016	Provident Fund 31.03.2018	31.03.2017	01.04.2016
Rajit Gosh Roy - Chief Financial Officer	9,61,430	9,03,600	8,63,814	21,600	21,600	21,600
Chittaranjanjane	-	-	75,270	-	-	3,696
Manjeet Kumar	34,141	1,81,962	1,66,772	1,800	8,933	9,288
Krishna Jayakumar	8,75,743	2,50,284	-	19,800	7,200	-
Total	18,71,314	13,35,846	11,05,856	43,200	37,733	34,584

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.

30.2 (ix) Derivative instruments and unhedged foreign currency exposure

Particulars of unhedged foreign currency exposures as at the reporting date

Particulars	As at 31.3.2018	As at 31.3.2017	As at 01.04.2016
Trade Payables	Nil	Nil	Nil
Trade Receivable	Nil	Nil	Nil

Significant accounting policies and notes to accounts for the Year ended 31st March 2018 (All amount in Rs. unless otherwise stated)

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

Particulars on Micro and Small enterprises 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 for more than 30 days as on 31st March 2018: Nil

Particulars	31.03.2018	31.03.2017	01.04.2016
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	Nil	Nil	Nil
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	Nil	Nil	Nil
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	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	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	Nil
Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	Nil	Nil	Nil
Further interest remaining due and payable for earlier years.	Nil	Nil	Nil

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

Balances of Trade receivables, Trade payables, Advances from Customers, Advances to suppliers and other advances if any are subject to

30.2 (xiv) confirmation from respective parties.

Pursuant to IND AS 109- Impairment of assets, the Company assessed its fixed assets for impairment as at 31st March 2018 and concluded that there has been no significant impaired fixed asset that needs to be recognised in the books of accounts.

30.2 (xv) Auditors' Remuneration (Excluding Service Tax/GST)

Particulars	As at 31.3.2018	As at 31.3.2017
For Statutory Audit	75,000	75,000
For Tax Audit	25,000	25,000
For Company Law Matters	-	-
For Other Services	-	-
Total	1,00,000	1,00,000

30.2 (xvii)

Details of Denomination Notes for F.Y. 2016-17

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08/11/2016	9,000.00	815.00	9,815.00
Add: Permitted receipts	-	1,15,800.00	1,15,800.00
Less: Permitted payments	-	1,15,759.00	1,15,759.00
Less: Amount deposited in banks	9,000.00	-	9,000.00
Closing cash in hand as on 30/12/2016	-	856.00	856.00

HITCO TOOLS LIMITED

Significant accounting policies and notes to accounts for the Year ended 31st March 2018(All amount in Rs.unless otherwise stated)

30.2 (xviii) TRANSACTIONS WITH RELATED PARTIES (as identified by the Company)

Description of the nature of transaction	Description of Relationship	Related Party	Year ended 31st March 2018	Year ended 31st March 2017
Remuneration paid				
	Chief Financial Officer	Rajib Gosh Roy	9,61,430	9,03,600
	Company Secretary	Chittaranjan Jena	-	-
	Company Secretary	Manjeet Kumar	34,141	1,81,962
	Company Secretary	Krishna Jayakumar	8,75,743	2,50,284
Total			18,71,314	13,35,846
Non-current Borrowings from related parties received/(paid)				
	Associate Enterprise	Hitco Properties LLP	20,000	1,60,000
	Key Managerial Personnel			
	Key Managerial Personnel	Madhu Bhandari	7,40,000	8,15,000
	Key Managerial Personnel	Surendra Bhandari	3,10,479	18,19,800
	Associate Enterprise	Sidharth Bhandari	2,70,000	(60,000)
	Associate Company	BH Holdings (Bangalore) LLP	-	-
	Associate Company	Hitech Prints (India) Private Limited	-	27,97,946
Total	Associate Company	Fotoset Trading Private Limited	7,75,485	-
			21,15,964	55,32,746
Advances received				
	Associate Company	HTC Properties LLP	6,70,313	18,66,908
	Key Managerial Personnel	Surendra Bhandari	2,30,200	-
Total			9,00,513	18,66,908
Advances paid				
	Associate Company	Fotoset Trading Private Limited	2,81,022	-
	Associate Company	HTC Properties LLP	6,70,313	22,66,908
Total			9,51,335	22,66,908
Advances receivable written off				
	Associate Company	Hitco (Thailand) Ltd.	19,99,902	-
Total			19,99,902	-
Advances Receivable at Year end				
	Associate Company	Hitco (Thailand) Ltd	-	19,99,902
	Associate Company	Fotoset Trading Private Limited	2,81,022	-

	Associate Enterprise Key Managerial Personnel	HTC Properties LLP Surendra Bhandari	27,37,221	20,66,508
			-	2,30,200
			30,18,243	42,97,010
Non current Borrowings of related parties outstanding at year end				
	Associate Company	Fotoset Trading Private Limited	-	7,75,485
	Associate Enterprise	B I Holdings (Bangalore) LLP	18,50,000	18,50,000
	Associate Company	Hitech Prints (India) Private Limited	27,97,946	27,97,946
	Associate Enterprise	Hittco Properties LLP	53,76,949	53,56,949
	Associate Company	IEM International Private Limited	-	1,29,705
	Key Managerial Personnel	Madhu Bhandari	15,55,000	8,15,000
	Key Managerial Personnel	Surendra Bhandari	3,10,479	-
	Key Managerial Personnel	Sidharth Bhandari	9,22,480	6,52,480
			1,28,12,854	1,23,77,565
Total				

List of related parties:

Key Management Personnel

Surendra Bhandari-Managing director
Rajib Gosh Roy-CFO
Manjeet-Company Secretary
Madhu Bhandari
Sidharth Bhandari

Associates/Other related party/ Parties under common control

HTC Properties LLP
Fotoset Trading Private Limited
Hitech Prints (India) Private Limited
Hittco (Thailand) Ltd
Hittco Properties LLP
IEM International Private Limited
BI Holdings (Bangalore) LLP
BI Realtors LLP

Surendra Bhandari
Managing director

Sidharth Bhandari
Director

For Mishra and co.,
Chartered Accountants
Firm's Registration No:123555

Manjeeth
Company Secretary
Place : Bengaluru
Date:30/05/2018

Rajib Gosh Roy
CFO

CA Nilamadhav Mishra
Proprietor
Membership No:22357

HITCO TOOLS LIMITED

Notes to financial statements for the Year ended 31st March 2018(All amount in Rs.unless otherwise stated)

31 Financial Instruments

Disclosure of Financial Instruments by Category

Financial Instruments by categories	31.03.2018			31.03.2017			01.04.2016	
	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI
Financial asset								
Trade Receivables	-	-	2,40,98,654	-	-	2,35,80,264	-	-
Cash and cash equivalents	-	-	10,00,292	-	-	4,01,810	-	-
Other Financial assets	-	-	50,80,133	-	-	49,07,860	-	-
Total Financial Assets	-	-	3,01,79,079.19	-	-	2,89,89,933.96	-	-
Financial liability								
Borrowings	-	-	2,72,28,031	-	-	3,02,92,841	-	-
Trade payables	-	-	82,98,660	-	-	93,17,110	-	-
Other Financial liabilities	-	-	1,01,46,932	-	-	1,20,84,756	-	-
Total Financial Liabilities	-	-	4,56,73,623	-	-	5,16,94,708	-	-
Total Financial Liabilities	-	-	4,56,73,623	-	-	5,16,94,708	-	-

Default and Breaches

There are no defaults with respect to payment of principal, interest, and no breaches of the terms and conditions of the Loans taken from Banks and Financial institutions.

There are no breaches during the year which permitted lender to demand accelerated payment.

32 Fair Value Hierarchy

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

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

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

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

Level 3:derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)
There are no financial instruments measured at Level 1, Level 2,Level 3 of Fair Value Hierarchy as at reporting date

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

HITCO TOOLS LIMITED

Notes to financial statements for the Year ended 31st March 2018(All amount in Rs.unless otherwise stated)

Fair Valuation techniques

Fair value of financial assets and liabilities measured at amortized cost

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

33 Asset pledged as security

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

Particulars	31.03.2018	31.03.2017	01.04.2016
Non Financial Asset			
Property, Plant & Equipment	1,48,342	-	-
Financial Asset			
Cash and Cash Equivalents	3,12,45,689	3,25,86,973	3,46,23,827
Inventories	-	-	-
Trade Receivables	-	-	-
TOTAL	3,13,94,031	3,25,86,973	3,46,23,827

Notes:

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

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

34 Financial Risk Management

The company's activities expose it variety of financial risks : Market risk, Credit risk and Liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

A) Market risk

The market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and other price risk.

i Foreign Currency Risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate.

The company is not exposed to foreign currency risk as it has no borrowings in foreign currency and also the company doesn't have any receivable or payable amounts in foreign currency.

ii Cash flow and fair value Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The interest risk arises to the company mainly from Long term borrowings, bank overdrafts with variable rates. The company measures risk through sensitivity analysis. The company's exposure to interest rate risk due to variable interest rate borrowings is as follows:

Particulars	31.03.2018	31.03.2017	01.04.2016
Long term Borrowings	45,62,553	71,47,521	1,37,14,203
Bank overdrafts	98,52,624	1,07,67,755	1,34,37,050
Total	1,44,15,177	1,79,15,276	2,71,51,253

Sensitivity analysis

Interest Rate Risk Analysis	Impact on profit/ loss after tax		
	FY 2017-18	FY 2016-17	FY 2015-16
Increase or decrease in interest rate by 1% for Long term borrowings	45,626	71,475	1,37,142
Increase or decrease in interest rate by 1% for Bank overdrafts	98,526	1,07,678	1,34,370
Total	1,44,152	1,79,153	2,71,513

Note: Profit will increase in case of decrease in interest rate and vice versa

HITCO TOOLS LIMITED

Notes to financial statements for the Year ended 31st March 2018(All amount in Rs.unless otherwise stated)

iii.Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The company is not exposed to price risk as there are no investments .

B)Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due.

Liquidity risk arises in situations where the company has difficulties in obtaining funding

The company manages its liquidity risk by continuously monitoring rolling forecasts of the company's liquidity requirements , actual cash flows available and the due date of financial assets and liabilities

The company is exposed to liquidity risk due to bank borrowings, trade payables, other financial liabilities

The following are the contractual maturities of Financial liabilities :-

The amounts disclosed in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amount as the impact of discounting is not significant

Contractual maturities of financial liabilities					
As at March 31, 2018	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Borrowings	2,72,28,031	98,52,624	60,23,000	1,13,52,407	-
Trade payables	82,98,660	82,98,660	-	-	-
Other Financial Liabilities	1,01,46,932	72,20,817	29,26,115	-	-
Total Non derivative Financial	4,56,73,623	2,53,72,101	89,49,115	1,13,52,407	-

As at March 31, 2017	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Borrowings	3,02,92,841	1,07,67,755	56,28,659	1,38,96,427	-
Trade payables	93,17,110	93,17,110	-	-	-
Other Financial Liabilities	1,20,84,756	91,23,650	-	29,61,106	-
Total Non derivative Financial	5,16,94,708	2,92,08,515	56,28,659	1,68,57,533	-

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Notes to financial statements for the Year ended 31st March 2018(All amount in Rs.unless otherwise stated)

As at April 01, 2016	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Borrowings	3,97,41,914	1,34,37,050	72,41,045	67,43,000	1,23,20,819
Trade payables	76,41,440	76,41,440	-	-	-
Other Financial Liabilities	1,02,97,960	76,02,651	-	26,95,309	-
Total Non derivative Financial	5,76,81,314	2,86,81,141	72,41,045	94,38,309	1,23,20,819

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Notes to financial statements for the Year ended 31st March 2018(All amount in Rs.unless otherwise stated)

c) Credit risk

Credit risk is the risk that a counter party will default on its contractual obligations resulting in financial loss to the company.Credit Risk encompasses of both ,the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Credit risk arises from cash and cash equivalents , deposits with banks and financial institutions, as well as credit exposure to Trade receivables.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements

The company's major class of financial assets are cash and cash equivalents ,term deposits and trade receivables

For Banks and financial institutions, only high rated banks/Financial institutions are accepted.

Company's Credit Risk arises principally from Trade Receivables.

Trade Receivables:

Trade receivables are primarily short term receivables from customers which arise in the normal course of business.

Credit worthiness of Customers are being assessed before making sales to the customers

The outstanding Trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

The history of trade receivables shows a negligible allowance for bad and doubtful debts.

According, no Provision is made for Bad and doubtful debts during the financial years 2017-18,2016-17

d) Capital management

(a)Risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders , benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure , the company may issue new shares or sell assets to reduce debt

The company periodically reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements and capital efficiency of the company , prevailing and projected profitability , projected operating cash flows, and projected capital expenditures. In order to maintain or adjust the capital structure , the company may use internal funding to reduce debt.

(b)Dividends

No Dividends have been issued/Proposed by the company during the last 3 financial years(F.Y.2017-18,F.Y.2016-17,F.Y.2015-16)

HITCO TOOLS LIMITED

Notes to financial statements for the Year ended 31st March 2018 (All amount in Rs. unless otherwise stated)

35 Ind AS 101 Reconciliation

1) Reconciliation of Total Equity

Reconciliation between previous GAAP and IND AS

Ind AS requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following table represents the reconciliation from previous GAAP to Ind AS.

Reconciliation of equity as on the date of transition (01st April 2016)

Particulars	As at 01st April, 2016		
	Previous GAAP*	Ind As Adjustment	IND AS
ASSETS			
Non-current Assets			
Property, plant and equipment	5,16,03,400	-	5,16,03,400
Other Intangible assets	1,67,548	-	1,67,548
Financial assets			
(i) Other financial assets	66,21,381	-	66,21,381
Other non-current assets	20,35,816	-	20,35,816
Total Non-current Assets	6,04,28,145	-	6,04,28,145
Current Assets			
Inventories	2,01,90,309	-	2,01,90,309
Financial assets			
(i) Trade receivables	2,24,49,381	-	2,24,49,381
(ii) Cash and cash equivalents	6,47,342	-	6,47,342
(iii) Other financial assets	-	-	-
Other current assets	63,48,650	-	63,48,650
Total Current Assets	4,96,35,681	-	4,96,35,681
Total Assets	11,00,63,827	-	11,00,63,827
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6,32,06,970	-	6,32,06,970
Other Equity	(2,40,25,203)	-	(2,40,25,203)
Total Equity	3,91,81,767	-	3,91,81,767
LIABILITIES			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	2,63,04,864	-	2,63,04,864
(ii) Other financial liabilities	26,95,309	-	26,95,309
Provisions	45,97,059	-	45,97,059
Deferred tax liabilities (Net)	26,61,000	-	26,61,000
Total Non-current Liabilities	3,62,58,232	-	3,62,58,232
Current liabilities			
Financial liabilities			
i. Borrowings	1,34,37,050	-	1,34,37,050
ii. Trade payables	76,41,440	-	76,41,440
iii. Other Financial Liabilities	76,02,651	-	76,02,651
Provisions	3,59,080	-	3,59,080
Other current liabilities	55,83,607	-	55,83,607
Total Current Liabilities	3,46,23,827	-	3,46,23,827
Total Liabilities	7,08,82,060	-	7,08,82,060
Total Equity and Liabilities	11,00,63,827	-	11,00,63,827

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

HITCO TOOLS LIMITED

Notes to financial statements for the Year ended 31st March 2018 (All amount in Rs. unless otherwise stated)

Reconciliation of equity as on 31st March 2017.

Particulars	As at 31st March 2017.		
	Previous GAAP*	Ind As Adjustment	IND AS
ASSETS			
Non-current Assets			
Property, plant and equipment	4,22,54,414	-	4,22,54,414
Other Intangible assets	1,48,342	-	1,48,342
Financial assets			
(i) Other financial assets	49,07,860	-	49,07,860
Other non-current assets	19,99,902	-	19,99,902
Total Non-current Assets	4,93,10,518	-	4,93,10,518
Current Assets			
Inventories	1,86,26,006	-	1,86,26,006
Financial assets			
(i) Trade receivables	2,36,80,264	-	2,36,80,264
(i) Cash and cash equivalents	4,01,810	-	4,01,810
(ii) Other financial assets	-	-	-
Other current assets	40,18,418	-	40,18,418
Total Current Assets	4,67,26,497	-	4,67,26,497
Total Assets	9,60,37,015	-	9,60,37,015
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6,32,06,970	-	6,32,06,970
Other Equity	(2,82,64,907)	-	(2,82,64,907)
Total Equity	3,49,42,063	-	3,49,42,063
LIABILITIES			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	1,95,25,086	-	1,95,25,086
(ii) Other financial liabilities	29,61,106	-	29,61,106
Provisions	46,05,787	-	46,05,787
Deferred tax liabilities (Net)	14,16,000	-	14,16,000
Total Non-current Liabilities	2,85,07,979	-	2,85,07,979
Current liabilities			
Financial liabilities			
i. Borrowings	1,07,67,755	-	1,07,67,755
ii. Trade payables	93,17,110	-	93,17,110
iii. Other Financial Liabilities	91,23,650	-	91,23,650
Provisions	9,12,641	-	9,12,641
Other current liabilities	24,65,816	-	24,65,816
Total Current Liabilities	3,25,86,973	-	3,25,86,973
Total Liabilities	6,10,94,952	-	6,10,94,952
Total Equity and Liabilities	9,60,37,015	-	9,60,37,015

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

Reconciliation of total Comprehensive Income for the Year ended 31st March 2017 :

Particulars	Notes	For the year ended 31st March, 2017		
		Previous GAAP*	Ind AS Adjustment	IND AS
Revenue from operations	1	6,79,25,024	-	6,79,25,024
Other income		13,70,124	-	13,70,124
Total Income		6,92,95,149	-	6,92,95,149
Expenses				
Cost of materials consumed		2,39,18,280	-	2,39,18,280
Change in inventories of finished goods, work-in-progress and Stock-in-Trade		21,72,047	-	21,72,047
Employee benefits expenses		1,41,15,932	-	1,41,15,932
Finance Costs		32,18,827	-	32,18,827
Depreciation and Amortisation Expenses		1,03,97,934	-	1,03,97,934
Excise duty expenses	1	73,95,932	-	73,95,932
Other Expenses		1,35,60,901	-	1,35,60,901
Total expenses		7,47,79,853	-	7,47,79,853
Profit before exceptional items and tax		(54,84,704)	-	(54,84,704)
Less: Exceptional items		-	-	-
Profit before tax from continuing operations		(54,84,704)	-	(54,84,704)
Less: Tax expense		(12,45,000)	-	-
Profit for the Year		(42,39,704)	-	(42,39,704)
Other Comprehensive Income				
Items that will be subsequently not re-classified to Profit & Loss Statement				
(a) Re-measurement of Defined Benefit Obligations/Assets		-	-	-
(b) Fair Value Adjustment through Other Comprehensive Income		-	-	-
Total other comprehensive income		-	-	-
Total comprehensive income for the period		(42,39,704)	-	(42,39,704)

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

Reconciliation of total equity as at 31st March 2017 and 01st April 2016.

Particulars	31st March	01st April 2016
Total equity (shareholder's funds) as per previous	3,49,42,063	3,91,81,767
Adjustments:	-	-
Total Adjustments	-	-
Total equity as per Ind AS	3,49,42,063	3,91,81,767

Reconciliation of total comprehensive income for the year ended 31st March 2017

Particulars	31st March
Profit after tax as per previous GAAP	(42,39,704)
Adjustments:	-
Total Adjustments	-
Profit after tax as per Ind AS	(42,39,704)
Other Comprehensive Income	-
Total Comprehensive Income	(42,39,704)

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Notes to financial statements for the Year ended 31st March 2018 (All amount in Rs. unless otherwise stated)

Impact of Ind AS adoption on the statement of cash flows for the year ended 31st March 2017

		For the year ended 31st March, 2017		
Particulars	Notes	Previous GAAP*	Ind AS Adjustment	IND AS
Net cash flow from operating activities		1,29,56,758	-	1,29,56,758
Net cash flow from investing activities		(5,34,390)	-	(5,34,390)
Net cash flow from financing activities		(99,98,605)	-	(99,98,605)
Net increase/(decrease) in cash and cash equivalents		24,23,763	-	24,23,763
Cash and Cash equivalents as at 01st April		(1,27,89,708)	(0)	(1,27,89,708)
Cash and Cash equivalents as at 31st March 2017.		(1,03,65,945)	(0)	(1,03,65,945)

Analysis of changes in cash and cash

Particulars	Notes	31st March	01st April 2016
Cash and Cash equivalents as per previous		37,36,513	58,30,266
Bank overdrafts	2	(1,07,67,755)	(1,34,37,050)
Fixed deposits with maturity more than 12 months	3	(33,34,704)	(51,82,924)
Cash and Cash equivalents for the purpose of		(1,03,65,946)	(1,27,89,708)

Notes to first time adoption of Ind AS

1. Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31st March 2017 by Rs.73,95,932/-. There is no impact on the total equity and profit as a result of this.

2. Bank Overdrafts

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

3. Fixed deposits with maturity more than 12 months

Under Ind AS, Fixed deposits with maturity more than 12 months is considered as part of other non-current financial assets. Under previous GAAP, Fixed deposits used to form part of Cash and cash equivalents

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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: cs@hittco.com

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 Hittco Tools Limited, 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 24th Annual General Meeting of the company, to be held on the 28th September, 2018 at 11 A.M at "SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore – 560 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

Sl. No.	Resolution	Optional	
		For	Against
1.	To Adoption of Financial Statement for the year ended on 31 st March, 2018		
2.	To Re-appointment of Mr. Sidharth Bhandari, as a Director who retires by rotation and eligible for re-appointment.		
3.	To 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.		

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Special Business:

Sl. No.	Resolution	Optional	
		For	Against
4.	To Appointment of Independent Director, Mr. MENEZES BRAGANCA NIKHIL FERNANDO DE (holding DIN 07101045)		
5.	To Regularize appointment of Additional Director, Mr. Yashvardhan Bhandari (DIN: 06688573)		

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 24th 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.

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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: cs@hittco.com

Website: www.hittco.in

24th ANNUAL GENERAL MEETING

Date: 28th September, 2018: Time: 11A.M

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

Member's Folio/DPID-Client 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 24th 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 24th 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	25 nd September, 2018 (from 9.00 A.M)
End of E-voting	27 th September, 2018 (up to 5.00 P.M)

Please refer notice for instruction on e-voting.