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6th

Annual Report

1999 - 2000

Hittco  Technologies Ltd.



(Formerly Hittco Precision Tool Technologies Ltd.)

Bangalore

Hittco Technologies Ltd

Board of Directors	:	Mr. Surendra Bhandari - Chairman Mr. Sidharth Bhandari - Jt. Managing Director Mrs. Madu Bhandari Mrs. Manesha Bhandari Mr. C.M.Datta Mr. Salil Chakravarty Mr. Surendra Sharma
Financial Institutions	:	Karnataka State Industrial & Investment Development Corporation
Bankers	:	State Bank of Mysore Basavanagudi, Bangalore - 560 004
Auditors	:	Sudhakar Hegde & Co Chartered Accountants Bangalore
Registered Office & IT Division	:	#19 Ali Asker Road Bangalore - 560 052
Plant I	:	#78, III Phase Peenya Industrial Area Bangalore - 560 058
II (100% EOU)	:	#B193, IIstage Penya Industrial Estate Bangalore - 560 058
Share Transferers	:	#19 Ali Asker Road Bangalore - 560 052

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NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of the members of HITTCO Online Technologies Limited (formerly HITTCO Precision Tool Technologies Limited), will be held on Friday, the 8th September 2000, at 10.30 A.M., at "Shantala 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 as at 31st March, 2000 and the Profit and Loss account for the year ended on that date and the Director's and Auditor's Report thereon.
2. To appoint Auditors.
3. To appoint a Director in place of Mr. Surendra Sharma, who retires on rotation.

SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:-
"RESOLVED that pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment to or re-enactment thereof), the Articles of Association of the Company be altered by inserting immediately after article 4, the following new Article numbered 4A with the heading "shares in Demat form":

1. Definitions

'Depository' shall mean a Depository as defined under clause (e) of sub section (1) of section 2 of the Depositories Act, 1996.

'Beneficial Owner' shall mean the beneficial owner as defined in clause (a) of sub section (1) of Section 2 of the Depositories Act, 1996.

'Shareholder' or 'Member' means the duly registered holder of the shares from time to time and 1 includes the subscribers to the Memorandum of Association of the Company and the Beneficial Owner(s) as defined in clause (a) of sub section (1) of section 2 of the Depositories Act, 1996. 'SEBI Board' means the Securities and Exchange Board of India;

'Bye-laws' means bye-laws made by a Depository under Section 26 of the Depositories Act, 1996: 'Depositories Act' means the Depositories act, 1996 including any statutory modifications or re-enactment thereof for the time being in force:

'Record' includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the Regulations:

'Regulations' means the regulations made by the SEBI Board.

'Security' means shares, debentures and such other security as may be specified by the SEBI Board from time to time.

2. Dematerialisation of securities

Notwithstanding anything contained in these articles, the company shall be entitled to dematerialize its securities in a dematerialized form, pursuant to the Depositors act and the rules framed thereunder. The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply to the shares of the company which are dematerialized in future or issued in future in dematerialized form. The company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the Depositories and/or to offer its fresh shares, debentures and other securities, in a dematerialized form pursuant to the Depositors Act, 1996 and the rules framed thereunder, if any.

3. Option to receive security certificates or hold securities with Depository

- 1) Every person subscribing to the securities offered by the company shall have the option to receive the security certificates or hold securities with a depository.
- 2) Where a person opts to hold a security with a Depository, the company shall intimate such depository the details of allotment of the security, and on receipt of such information the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.

4. Securities in Depositories to be in fungible form.

- i) All securities held by a Depository shall be dematerialized and shall be in fungible form.
- ii) Nothing contained in Sections 153, 153A, 153b, 187B, 187C, and 372 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.
- iii) In case of transfer or transmission of shares or other marketable securities where the company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form, the provisions of the Depositories Act, 1996, shall apply”.

5. Rights of Depositors and Beneficial Owners

- i) Notwithstanding anything to the contrary contained in the Articles or in any other law for the time being in force, a Depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of a beneficial owner.
- ii) Save as otherwise provided in clause (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it.
- iii) Every person holding securities of the company and whose name is entered as beneficial owner in the records of the Depository shall be deemed to be the member of the company. The beneficial owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of his securities held by a Depository.
- iv) Nothing contained in the foregoing Article shall to transfer of security effected by the transferor and the transferee both to whom are entered as Beneficial Owners in the records of Depository”.

6. Depository to furnish information

Every Depository shall furnish to the company information about the transfer of securities in the name of the beneficial owners at such intervals and in such manner as may be specified by the bye-laws and the company in this behalf.

7. Option to opt out in respect of any such security

- i. If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly.
- ii. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company.
- iii. The Company shall, within (30) days of the receipt of intimation from a Depository and fulfillment of such conditions and on payment of such fees as may be specified by the Regulations, issue the certificate of securities to the Beneficial Owner or the Transferee, as the case may be.

8. Sections 83 and 108 of the Act not to apply

Notwithstanding anything to the contrary contained in the Articles:

- i. Section 83 of the act shall not apply to securities held with a Depository.
- ii. Nothing contained in section 108 of the act shall apply to a transferor and the transferee both of whom are entered as Beneficial Owners in the records of the Depository.

9. Registers and Index of beneficial owners

- i. The Register and index of Beneficial Owners maintained by a Depository under section 11 of the Depositories Act shall be deemed to be the Register and index of members for the purposes of the Act and these Articles.
- ii. Except as ordered by a court of competent jurisdiction or by Law required, the Company shall be entitled to treat the person whose name appears on the Register of members as the holder of any share or whose name appears as the Beneficial Owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust, or equity and equitable contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.
- iii. The Company shall keep a register and index of Members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with details of shares held in material and dematerialized forms in any media as may be permitted by Law including in any form of electronic media. The company shall be entitled to keep in any State or Country outside India, a Branch Register of members resident in that State or Country.

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- iv. The Company shall keep a Register of Transfers and shall have recorded fairly and distinctly particulars of every transfer or transmission of any share held in material form. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered on the Register of Members in respect thereof.
5. To consider and if thought fit to pass the following Resolution with or without modification(s) as an ORDINARY RESOLUTION :

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 and subject to the approvals of Central Government, if required and/or such other approval as may be necessary, the company hereby accords its approval for the appointment of Mr. Sidharth Bhandari as Managing Director of the company for a period of 5 years w.e.f. 1st July 2000, on the terms and conditions including remuneration as are set out in the Explanatory Statement with discretion to the Board of Directors to alter and vary the terms and conditions from time to time in such manner as it may deem fit in the best interest of the Company within the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification there to, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government (if applicable) or as may be agreed to between the Board of Directors and Mr. Sidharth Bhandari".

"RESOLVED FURTHER THAT the remuneration to be fixed will be treated as the minimum remuneration in the event of loss."

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

By order of the Board
for HITTCO ONLINE TECHNOLOGIES LTD.

Place : Regd. Office
#19 Ali Asker Road
Bangalore - 560 052

SIDHARTH BHANDARI

Date : 30th June 2000

Jt. Managing Director

Note:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME SCHEDULED FOR THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement required under Section 173 of the Companies Act, 1956, in respect of the business mentioned in item no.(4 & 5) is attached herewith.
3. The Register of Member and the Share Transfer Books of the Company will remain closed from 2nd September to 8th September 2000 (both days inclusive).
4. Shareholders are requested to lodge the Share Transfer Deeds duly executed and intimate change of address to the Registered office of the Company at 19, Ali Asker Road, Bangalore-560 052.

EXPLANATORY STATEMENT

The Explanatory statement under Section 173 sets out the material facts relating to the Special Business mentioned in the accompanying Notice dated 30.06.2000.

ITEM NO.4

SEBI vide their notification no.SMDRP/POLICY/CIR-23/2000 dated 29.05.00 have brought the company under compulsory rolling settlement which means that the Co's shares need to get into the dematerialised mode. In order to provide better investor services to the members, it is desirable to give option to the investors to keep the shares of the Company in an electronic form. The Articles of Association of the Company is proposed to be amended to bring the Articles in line with the same. The amendment of Articles requires shareholders' approval.

The Directors recommend the resolution for approval of the members.

None of the directors are in any way concerned or interested in the resolution.

ITEM NO.5

Mr.Sidharth Bhandari was appointed as Joint Managing Director of the Company on 01st July 1998 for a period of 5 years. Due to the resignation of Mrs.Madhu Bhandari as the Managing Director, it has been proposed that Mr.Sidharth Bhandari be elevated to the position of Managing Director. Hence it is proposed that a fresh set of terms and conditions be entered with Mr. Sidharth Bhandari.

The Board of Directors at their meeting held on 30.06.2000 have appointed Mr.Sidharth Bhandari as the Managing Director of the Company. The salient terms of appointment are as follows :

Period : 5 years w.e.f. 1st July 2000
Salary : Rs.20,000/- per month

Perquisites :

- i) Housing : NIL
- ii) Medical Reimbursement :
Reimbursement of medical expenses for self and family subject to a ceiling of one month's salary for each year.
- iii) Leave Travel Concession :
Leave Travel Concession for self and family once in a year incurred in accordance with the Rules of the Company.
- iv) Club fees :
Fees of clubs subject to a maximum of one club. No admission and life membership fees will be paid.
- v) Personal Accident Insurance :
Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs.5000/-
- vi) Contribution towards Provident Fund and Pension / Superannuation Fund will not be considered or included for the computation of ceilings on perquisites to the extent that these either, singly or put together are not taxable under the Income Tax Act, 1961.
- vii) Gratuity : As per the Rules of the Company, but shall not exceed on half months salary for each completed year of service.
- viii) Bonus : One months Annual Basic salary
- ix) Provision of car with driver and telephone at residence, will not be considered as perquisites.
Provided further that personal long distance calls on telephone and use of car for private purpose shall be billed by the company to him
The aggregate monetary value of the above perquisites will not exceed Rs. 1,20,000/- per annum.
In the event of loss or inadequacy of profits of the Company in any financial year during the term of his appointment, he shall be paid the above remuneration as the minimum remuneration by way of salary and perquisites.
Terms of the remuneration as stated above and this Explanatory Statement may also be treated as an Abstract and Memorandum of Interest relating to the agreement with the Managing Director under Section 302 of the Companies Act, 1956.
Mrs.Madhu Bhandari, Mrs.Manesha Bhandari and Mr.Surendra Bhandari of the Company are deemed to be concerned or interested in this resolution.
The Board recommends the resolution for adoption.

By order of the Board

Place : Place : Regd. Office
#19 Ali Asker Road
Bangalore - 560 052

Date : 30th June 2000

SIDHARTH BHANDARI
Jt. Managing Director